



PROSPECTUS

PARETO SICAV

PARETO SICAV (the "Fund") is an investment company which may offer investors a choice between several classes of shares (each a "Class") in a number of sub-funds with segregated liability (each a "Sub-Fund"). The Fund is organised as an investment company registered under Part I of the Luxembourg Law of 17 December 2010, as amended, relating to undertakings for collective investment (the "2010 Law").

December 2016

IMPORTANT INFORMATION

The Directors of the Fund, whose names appear hereafter, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The Shares are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund or the Directors. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

The information contained in this Prospectus will be supplemented by the financial statements and further information contained in the latest annual and semi-annual reports of the Fund, copies of which may be obtained free of charge at the registered office of the Fund.

The Fund is an open-ended investment company organised as a *Société d'Investissement à Capital Variable* (SICAV). The Fund is registered under Part I of the 2010 Law. The above registrations do not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Fund. Any representation to the contrary is unauthorised and unlawful.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus may come are required by the Fund to inform themselves of and to observe any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general Shareholders' meetings, if the investor is registered himself and in his own name in the Shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholders' rights directly against the Fund. Investors are advised to take advice on their rights.

United States: The Shares have not been registered under the United States Securities Act of 1933 (the "Securities Act"), and the Fund has not been registered under the United States Investment Company Act of 1940 (the "Investment Company Act"). The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to U.S. Persons (as defined in Regulation S under the Securities Act) except to certain qualified U.S. institutions in reliance on certain exemptions from the registration requirements of the Securities Act and the Investment Company Act and with the consent of the Fund. Neither the Shares nor any interest therein may be beneficially owned by any other U.S. Person. The Fund's Articles of Incorporation restrict the sale and transfer of Shares to U.S. Persons and the Fund may repurchase Shares held by a U.S. Person or refuse to register any transfer to a U.S. Person as it deems appropriate to assure compliance with the Securities Act and the Investment Company Act (see under "ISSUE OF SHARES" below).

Generally: the above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, accountant or other professional adviser.

DIRECTORY

PARETO SICAV

R.C.S. Luxembourg B 152898

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- Thorleif Wegner Simonsen, Partner, Infiba Vermögensverwaltens AG, Paulusgasse 12, CH-4002 Basel, Switzerland
- Véronique Gillet, Independent Director, 58, rue Glesener, L-1630 Luxembourg, Grand Duchy of Luxembourg
- Anna Måbäck, Independent Director, Frognersterveien 52 b, 0776 Oslo, Norway

Management Company

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Sub-Administrative agent, including Registrar and Transfer Agent

European Fund Administration S.A.

2, rue d'Alsace

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DEFINITIONS

"Administrator"	SEB Fund Services S.A, acting as Central Administration and Domiciliary Agent of the Fund
"Annex"	An annex to this Prospectus containing information with respect to a particular Sub-Fund
"Articles"	The Articles of Incorporation of the Fund
"Business Day"	Any day as defined per Sub-Fund in the relevant Annex
"Classes"	Pursuant to the Articles, the Directors may decide to issue, within each Sub-Fund, separate classes of Shares (hereinafter referred to as a "Class" or "Classes", as appropriate) whose assets will be commonly invested but where different currency hedging techniques and/or subscription, conversion or redemption fees and management charges and/or distribution policies, minimum subscription or holding amount or any other specific feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described in the relevant Sub-Fund's Annex
"CSSF"	Luxembourg supervisory authority - <i>Commission de Surveillance du Secteur Financier</i>
"Depositary Fee"	The fee to be paid from time to time to the Depositary, as further detailed in the relevant Annexes.
"Directors"	The members of the board of directors of the Fund for the time being and any successors to such members as they may be appointed from time to time
"EU"	European Union
"Eligible Market"	A Regulated Market in an Eligible State
"Eligible State"	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania
"FATCA"	The Foreign Account Tax Compliance Act, which came into force on 18 March 2010 and which strengthens the reporting obligations of financial institutions, or any implementing law or regulation
"FATF State"	Any state having joined the Financial Action Task Force

"Fund"	PARETO SICAV
"Global Distributor"	Pareto Asset Management AS
"Ineligible Applicant"	An ineligible applicant as described on page 27
"Initial Offering Period"	The period determined by the Directors during which Shares are offered for subscription at a fixed price as specified in the relevant Annex
"Investment Manager"	Pareto Asset Management AS
"Management Company"	SEB Fund Services S.A.
"Minimum Holding Amount"	The minimum value of a holding of a Shareholder in a Sub-Fund is defined per Sub-Fund in the relevant Annex
"Minimum First Subscription Amount"	The minimum value of the first subscription of a Shareholder in a Sub-Fund is defined per Sub-Fund in the relevant Annex
"money market instruments"	Instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time
"Net Asset Value"	The net asset value of the Fund, a Sub-Fund or a Class, as the case may be, determined in accordance with the Articles
"Net Asset Value per Share"	The Net Asset Value divided by the number of Shares in issue or deemed to be in issue in a Sub-Fund or Class
"OECD"	Organisation for Economic Co-operation and Development
"Redemption Charge"	A charge not exceeding the percentage of the Net Asset Value disclosed in the relevant Annex that may be applied to redemptions of Shares. This Redemption Charge is to be considered as a maximum rate and, as the case may be, shall be allocated at the Management Company's discretion between the relevant Sub-Fund or financial intermediaries including the Global Distributor
"Redemption Price"	The Net Asset Value per Share, as calculated as of the relevant Valuation Day, decreased by a Redemption Charge as specified for each Class and Sub-Fund in the relevant Annex.
"Registrar and Transfer Agent"	European Fund Administration S.A. acting as registrar and transfer agent

"Regulated Market"	The market defined in article 4 paragraph 1 item 14 of Directive 2004/39/EC of 21st April 2004 on markets in financial instruments as well as any other market which is regulated, operates regularly and is recognised and open to the public
"Share"	A share of no par value of any Class in the Fund
"Shareholder"	A person recorded as a holder of Shares in the Fund's register of shareholders
"Sub-Fund"	A separate portfolio of assets for which a specific investment policy applies and to which specific liabilities, income and expenditure will be applied. The assets of a Sub-Fund are exclusively available to satisfy the rights of Shareholders in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Sub-Fund.
"Subscription Charge"	A sales commission of up to 3% of the Net Asset Value may be levied for the benefit of financial intermediaries. The Subscription Charge is to be considered as a maximum rate and shall revert to the financial intermediaries including the Global Distributor.
"Subscription Price"	The Net Asset Value per Share, as calculated as of the relevant Valuation Day, increased by a Subscription Charge as specified for each Class and Sub-Fund in the relevant Annex.
"transferable securities"	<p>Shall mean:</p> <ul style="list-style-type: none"> - shares and other securities equivalent to shares, - bonds and other debt instruments, - any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, <p>excluding techniques and instruments relating to transferable securities and money market instruments</p>
"UCITS"	An Undertaking for Collective Investment in Transferable Securities authorised pursuant to European Parliament and Council Directive 2009/65/EC, as amended
"other UCI"	An Undertaking for Collective Investment within the meaning of the first and second indents of Article 1 2. (a) and (b) of European Parliament and Council Directive 2009/65/EC, as amended
"United States"	The United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction

"US Person"	A citizen or resident of the United States, a corporation, partnership or other entity created in or under the laws of the United States or any person falling within the definition of the term "United States Person" under Regulation S promulgated under the 1933 Act
"Valuation Day"	Any day as defined per Sub-Fund in the relevant Annex
"Website"	www.sebfundservices.lu

All references to a Class shall, where no Classes have been created within a Sub-Fund, be deemed to be references to the Sub-Fund.

In this Prospectus all references to "Euro" and "€" are to the Single European Currency.

All references to "Norwegian Crown" and "NOK" are to the currency of Norway.

All references to "Swedish Krona" and "SEK" are to the currency of Sweden.

INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

Investment Objectives and Policies

The investment objective of each Sub-Fund is to achieve long term capital growth through investment in actively managed portfolios of assets set out in the relevant Annex.

Under normal circumstances, the Sub-Funds will be fully invested in accordance with the investment policy set out in the relevant Annex. Part of a Sub-Fund's net assets can be held temporarily in liquidities, including typical money-market instruments having a residual maturity not exceeding twelve months and demand or time deposits. However, a Sub-Fund can temporarily take a defensive position by investing extensively in cash when it believes that the markets or the relevant economy are experiencing excessive volatility, a prolonged general decline or when other adverse conditions may exist. Under these circumstances, a Sub-Fund may be unable to pursue its investment objective.

While using its best endeavours to attain its investment objectives, the Fund cannot guarantee whether and to what extent the investment objective will be achieved.

Pursuit of the investment policy and objective of any Sub-Fund must be in compliance with the limits and restrictions set forth hereafter.

Investment Restrictions

The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Fund in respect of each Sub-Fund subject to the following restrictions, unless more stringent rules be specified for a Sub-Fund in the Annex to this Prospectus:

- I. (1) The Fund, for each Sub-Fund, may invest in:
 - a) transferable securities and money market instruments admitted to or dealt in on an Eligible Market;
 - b) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
 - c) units of UCITS and/or other UCI, whether situated in an EU Member State or not, provided that:
 - such other UCIs have been authorised under the laws of any EU Member State or under the laws of those countries provided that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European Community law and that cooperation between authorities is sufficiently ensured, or,
 - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable

- securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as amended,
 - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
 - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- d) Shares of other Sub-Funds of the Fund provided that:
 - the target Sub-Fund does not, in turn, invest in the Sub-Fund; and
 - no more than 10% of the assets of the target Sub-Funds whose acquisition is contemplated, according to its investment policy may be invested in units of other target sub-funds of the same UCIs; and
 - voting rights, if any, attaching to the relevant Shares are suspended for as long as they are held by the Sub-Fund concerned; and
 - in any event, for as long as these securities are held by the UCI, their value will not be taken into consideration for the calculation of the net assets of the UCI for the purposes of verifying the minimum threshold of the net assets imposed by this Law.
- e) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an EU Member State or if the registered office of the credit institution is situated in a non-EU Member State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Community law;
- f) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
 - the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative; and/or
- g) money market instruments other than those dealt in on an Eligible Market and referred to under "Definitions", if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
 - issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong, or

- issued by an undertaking any securities of which are dealt in on Eligible Markets, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or
- issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

- (2) In addition, the Fund may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under (1) a), b) and e) to g) above.

II. The Fund may hold ancillary liquid assets.

- III. a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same issuing body.
- (ii) The Fund may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. d) above or 5% of its net assets in other cases.
- b) Moreover, where the Fund holds on behalf of a Sub-Fund investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Fund may not combine for each Sub-Fund:

- Investments in transferable securities or money market instruments issued by a single body,
- deposits made with a single body, and/or
- exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.

- c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued

or guaranteed by an EU Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more EU Member States are members.

- d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the EU and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.
- e) If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.
- f) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in sub-paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III).

The Fund may cumulatively invest up to 20% of the net assets of a Sub-Fund in transferable securities and money market instruments within the same group.

- g) Notwithstanding the above provisions, the Fund is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State of the EU, by its local authorities or agencies, or by another member State of the OECD or by public international bodies of which one or more Member States of the EU are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.
- IV.
- a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.
 - b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain

transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- V. a) The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
- b) The Fund may acquire no more than:
- 10% of the non-voting shares of the same issuer;
 - 10% of the debt securities of the same issuer;
 - 10% of the money market instruments of the same issuer; and/or
 - 25% of the units of the same UCITS or other UCI

These limits under second, third and fourth indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

- c) The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State of the EU or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

The provisions of this paragraph V. are also waived as regards shares held by the Fund in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraph III., V. and VI. a), b), c) and d).

- VI. a) Unless otherwise stated in the relevant Annex, a Sub-Fund may not invest more than 10% of its net assets in units of UCITS or other UCIs.
- b) When a Sub-Fund is entitled to invest more than 10% of its net assets in units of UCITS and/or other UCIs referred to in paragraph I. (1) c), the following limits apply:
- (i) no more than 20% of its net assets may be invested in units of the same UCITS or other UCI;
 - (ii) investments made in units of other UCI may not exceed, in aggregate, 30% of the net assets of the Sub-Fund.
- c) The underlying investments held by the UCITS or other UCIs in which the Fund invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- d) When the Fund invests in the units of UCITS and/or other UCIs linked to the Fund by common management or direct or indirect control of more than 10% of the votes or capital, no subscription or redemption fees may be charged to the Fund on account of its investment in the units of such other UCITS and/or UCIs.

No investment management fee shall be charged on the investments in such other UCITS and UCIs.

If any Sub-Fund's investments in UCITS and other UCIs constitute a substantial proportion of the Sub-Fund's assets, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 2% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

VII. Notwithstanding paragraphs VI) (a) and (b) above and under the conditions laid down by the Law, the Fund may (i) create a Sub-Fund qualifying either as a feeder UCITS (a "Feeder Sub-Fund") or as a master UCITS (a "Master Sub-Fund"), (ii) convert an existing Sub-Fund into a Feeder Sub-Fund, or (iii) change the master UCITS of any of its Feeder Sub-Fund.

- a) A Feeder Sub-Fund shall invest at least 85% of its assets in the units of another master UCITS or sub-fund thereof.
- b) A Feeder Sub-Fund may hold up to 15% of its assets in one or more of the following:
 - ancillary liquid assets in accordance with paragraph II above;
 - financial derivative instruments, which may be used only for hedging purposes.

VIII. The Fund shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant Sub-Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VIII.

- IX.
- a) The Fund may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Fund may acquire foreign currencies by means of back to back loans;
 - b) The Fund may not grant loans to or act as guarantor on behalf of third parties. This restriction shall not prevent the Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), f) and g) which are not fully paid.
 - c) The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.

- d) The Fund may only acquire movable or immovable property which is essential for the direct pursuit of its business.
 - e) The Fund may not acquire either precious metals or certificates representing them.
- X.
- a) The Fund needs not comply with the limits laid down in this chapter when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.
 - b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.
 - c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III., IV. and VI.

RISK MANAGEMENT PROCEDURES

In accordance with applicable laws and regulations, and in particular CSSF regulation No. 10-4 transposing Commission Directive 2009/65/EC, as amended, of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company, CSSF circular 11/512, CSSF circular 12/546, the ESMA Guidelines on risk measurement and the calculation of global exposure and counterparty risk for UCITS (ref.: ESMA/10-788) and the ESMA Guidelines on risk management principles for UCITS (ref.: ESMA/09-178), the Management Company employs a risk management process, which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio. The Management Company, on behalf of the Fund will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

The risk profile of the Fund is monitored taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Unless otherwise provided for any Sub-Fund in the relevant Annex, the commitment approach is used to monitor and measure the global exposure of each Sub-Fund.

This approach measures the global exposure related solely to positions on financial derivative instruments under consideration of netting or hedging.

TECHNIQUES AND INSTRUMENTS

Subject to the following conditions, the Fund is authorised for each Sub-Fund to resort to techniques and instruments bearing on Transferable Securities, Money Market Instruments, currencies and other eligible assets, on the condition that any recourse to such techniques and instruments be carried out for the purpose of hedging and/or efficient management of the portfolio, altogether within the meaning of the Grand-ducal regulation of 8 February 2008.

A. Techniques and Instruments relating to Transferable Securities, Money Market Instruments and other eligible assets

(1) General

To optimise portfolio management and/or to protect its assets and liabilities, the Fund may use techniques and instruments involving Transferable Securities, Money Market Instruments, currencies and other eligible assets within the meaning of the Grand-ducal regulation of 8 February 2008 for each Sub-Fund provided that such techniques and instruments are used for the purposes of efficient portfolio management within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF-Circulars issued from time to time, in particular, but not limited to CSSF-Circulars 08/356, 13/559 and 14/592 and ESMA-Guidelines 2014/937. In particular, those techniques and instruments should not result in a change of the investment objective of the relevant Sub-Fund or add substantial supplementary risks in comparison to the stated risk profile of such Sub-Fund.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivatives must be combined when calculating counterparty risk limits referred to in this Prospectus. All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the respective Sub-Fund. In particular, fees and costs may be paid to agents of the Fund and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation for their services. Such fees may be calculated as a percentage of gross revenues earned by the Fund through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary or the Management Company – will be available in the annual report of the Fund. Furthermore, each Sub-Fund is notably authorised to carry out transactions intended to sell or buy foreign exchange rate futures, to sell or buy currency futures and to sell call options or to buy put options on currencies, in order to protect its assets against currency fluctuations or to optimise yield, i.e., for the purpose of sound portfolio management.

(2) Limitation

When transactions involve the use of derivatives, the Fund must comply with the terms and limits stipulated above in the chapter “Investment Restrictions”, sections I. (1) f), III. a) (ii) and b) and VIII. of this Prospectus. The use of transactions involving derivatives or other financial techniques and instruments may not cause the Fund to stray from the investment objectives set out in the Prospectus.

(3) Risks - Notice

In order to optimise their portfolio yield, all Sub-Funds are authorised to use the derivatives techniques and instruments described in this chapter and the chapter “Investment Restrictions” (particularly swaps of rates, currencies and other financial instruments, futures, and securities, rate or futures options), on the terms and conditions set out in said chapters. The investor's attention is drawn to the fact that market conditions and applicable regulations may restrict the use of these instruments. The success of these strategies cannot be guaranteed. Sub-funds using these techniques and instruments assume risks and incur costs they would not have assumed or incurred if they had not used such techniques. The investor's attention is further drawn to the increased risk of volatility generated by Sub-Funds using these techniques for other purposes than hedging. If the managers and sub-managers forecast incorrect trends for securities, currency and interest rate markets, the affected Sub-Fund may be worse off than if no such strategy had been used. In using derivatives, each Sub-Fund may carry out over-the-counter futures or spot transactions on indices or other financial instruments and swaps on indices or other financial instruments with highly-rated banks or brokers specialised in this area, acting as counterparties. Although the corresponding markets are not necessarily considered more volatile than other futures markets, operators have less protection against defaults on these markets since the contracts traded on them are not guaranteed by a clearing house.

B. Securities Lending

The Fund may enter into securities lending transactions in accordance with the provisions of CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments (“Circular 08/356”). The Company may enter into securities lending transactions provided that the following rules are complied with in addition to the abovementioned conditions:

- (a) the Fund may lend securities to a borrower either directly or through a standardised system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules which are recognised by the CSSF as equivalent to those laid down in EU law and specialised in these types of transactions;
- (b) the borrower must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
- (c) the risk exposure of the Fund vis-à-vis a single counterparty arising from one or more securities lending transaction(s) may not exceed 10% of the assets of the relevant Sub-Fund when the counterparty is a financial institution falling within section I. (1) (e) above, or 5% of its assets in all other cases.
- (d) as part of its lending transactions, the Fund must receive collateral, the value of which, during the duration of the lending agreement, must be equal to at least 90% of the global valuation of the securities lent (interests, dividends and other eventual rights included);
- (e) such collateral must be received prior to or simultaneously with the transfer of the securities lent. When the securities are lent through any of the intermediaries referred to under section “Techniques and Instruments” A. (1) above, the transfer of the securities lent may be effected prior to receipt of the collateral, if the relevant intermediary ensures proper completion of the transaction. Said intermediary may provide collateral in lieu of the borrower;
- (f) when the collateral given in the form of cash exposes the Fund to a credit risk vis-à-

vis the trustee of this collateral, such exposure must be subject to the 20% limitation as laid down in Section III. a) (ii) above;

- (g) the Fund shall disclose the global valuation of the securities lent in the annual and semi-annual reports;
- (h) the Fund may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

C. Repurchase Agreement Transactions

The Fund does not intend to enter into (i) repurchase transactions which consist in the purchase or sale of securities with a clause reserving for the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and time agreed by the two parties in their contractual arrangement, (ii) repurchase agreement transactions, which consist of a forward transaction at the maturity of which the Fund has the obligation to repurchase the securities sold and the buyer (counterparty) the obligation to return the securities received under the transaction and (iii) reverse repurchase agreement transactions, which consist of a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the securities sold and the Fund the obligation to return the securities received under the transaction.

D. Financial Derivative Instruments

(1) General

Over-the-counter (OTC) financial derivative instruments (including total return swaps and other derivatives with similar characteristics) used by the Sub-Funds to gain exposure to underlying assets will be entered into with counterparties selected among first class financial institutions specialised in the relevant type of transaction, subject to prudential supervision and belonging to the categories of counterparties approved by the CSSF.

(2) Counterparty Risk

In accordance with its investment objective and policy, a Sub-Fund may trade 'over-the-counter' (OTC) financial derivative instruments such as non-exchange traded futures and options, forwards, swaps or contracts for difference. OTC derivatives are instruments specifically tailored to the needs of an individual investor that enable the user to structure precisely its exposure to a given position. Such instruments are not afforded the same protections as may be available to investors trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The counterparty to a particular OTC derivative transaction will generally be the specific entity involved in the transaction rather than a recognised exchange clearing house. In these circumstances the Sub-Fund will be exposed to the risk that the counterparty will not settle the transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. This could result in substantial losses to the Sub-Fund.

Participants in OTC markets are typically not subject to the credit evaluation and regulatory oversight to which members of 'exchange-based' markets are subject. Unless otherwise indicated in the Prospectus for a specific Sub-Fund, the Fund will not be restricted from dealing with any particular counterparties.

The Fund's evaluation of the creditworthiness of its counterparties may not prove sufficient. The lack of a complete and fool proof evaluation of the financial capabilities of the counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses. The Fund may select counterparties located in various jurisdictions. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Sub-Fund and its assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize the effect of their insolvency on the Sub-Fund and its assets.

Investors should assume that the insolvency of any counterparty would generally result in a loss to the Sub-Fund, which could be material.

If there is a default by the counterparty to a transaction, the Fund will under most normal circumstances have contractual remedies and in some cases collateral pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays and costs. If one or more OTC counterparties were to become insolvent or the subject of liquidation proceedings, the recovery of securities and other assets under OTC derivatives may be delayed and the securities and other assets recovered by the Fund may have declined in value.

Regardless of the measures that the Fund may implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses on the transactions as a result. Such counterparty risk is accentuated for contracts with longer maturities or where the Sub-Fund has concentrated its transactions with a single or small group of counterparties.

(3) Management of Collateral and Collateral Policy

General

In the context of OTC financial derivative transactions and efficient portfolio management techniques, the Fund may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Fund in such case. All assets received by the Fund in the context of efficient portfolio management techniques shall be considered as collateral for the purpose of this section.

Eligible Collateral

Collateral received by the Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and CSSF-Circulars issued from time to time notably in terms of liquidity and issuer credit quality, valuation, correlation, collateral diversification, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

(i) liquidity and issuer credit quality – any collateral received other than cash shall be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.

(ii) valuation – collateral received shall be valued on at least a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place;

(iii) correlation – the collateral received by the Fund shall be issued by an entity that is independent from the counterpart and is expected not to display a high correlation with the performance of the counterpart;

(iv) collateral diversification (asset concentration) – collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterpart of efficient portfolio management and OTC financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the respective Sub-Fund's net asset value. When the Fund is exposed to different counterparts, the different baskets of collateral shall be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, the Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. In such a case, the Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the respective Sub-Fund's net asset value. The list of eligible jurisdictions includes, but is not limited to, Canada, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom and the United States of America; Besides, collateral received shall also comply with the provisions of Article 48 of the 2010 Law;

(v) it should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty;

(vi) risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the risk management process;

(vii) where there is a title transfer, the collateral received shall be held by the Depositary of the Fund. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Subject to the abovementioned conditions, collateral received by the Fund may consist of:

(i) Cash and short term bank certificates, but also money market instruments such as defined within Directive 2007/16/EC. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty is considered as equivalent to liquid assets;

(ii) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope at least equivalent to "investment grade" (i.e. at least BBB- rating by S&P or its equivalent);

(iii) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;

(iv) Debt instruments with an external rating at least equivalent to "investment grade"; or

(v) Shares or convertible bonds admitted to or dealt in on a regulated market, on the condition that these shares are included in a main index.

Level of Collateral

The Fund will determine the required level of collateral for OTC financial derivatives transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Rules for application of Haircuts

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Management Company for each asset class

based on its rules for application of haircuts. These rules take into account a variety of factors, depending on the nature of the collateral received, such as the historical analysis of the price volatility of a representative proxy of each asset class for example.

According to the Fund's policy regarding collateral for OTC derivatives & EPM techniques for SEB Fund Services S.A. the following haircuts will be made:

Collateral	Haircut		
1. cash in Fund's (or relevant Sub-Fund's) currency	0%-5%		
2. money market instruments with an external credit rating A or above	0.5%-5%		
3. debt instruments	residual maturity		
	less than 1 year	1-5 years	5-10 years
corporate debt instruments with a rating of A or above	1%-4%	3%-7%	6%-12%
bonds issued or guaranteed by an eligible jurisdiction	0.5%-2%	1%-5%	4%-8%
4. shares or units issued by money market UCITS offering a daily liquidity, calculating a daily net asset value, and investing in instruments being assigned a rating of AAA or its equivalent	0.5%-2%		
5. shares or units of UCITS offering a daily liquidity and primarily investing in bonds or equities fulfilling requirements of the eligible collateral	look-through per time to maturity		
6. convertible bonds dealt on a regulated market whose underlying share are included in a main index	15%-20%		
7. security part of a main market index (e.g. DAX, FTSE 100, DJIA, NASDAQ 100)	5%-15%		
8. security part of other market index (e.g. HDAX, S&P 500)	8%-20%		

The Management Company reserves the right to review and amend the above haircuts at any time when the market conditions have changed and when and if this is deemed in the best interest of the Fund.

Reinvestment of Collateral

Non-cash collateral received by the Fund may not be sold, re-invested or pledged.

Cash collateral received by the Fund can only be:

(i) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

(ii) invested in high-quality government bonds;

(iii) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; and/or

(iv) invested in short-term money market funds as defined in the ESMA-Guidelines on Money Market Funds in force from time to time.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

The Sub-Fund concerned may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Fund on behalf of such Sub-Fund to the counterparty at the conclusion of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

BOARD OF DIRECTORS AND MANAGEMENT

Directors

- Thorleif Wegner Simonsen, Partner, Infiba Vermögensverwaltens AG, Paulusgasse 12, CH-4002 Basel, Switzerland
- Véronique Gillet, Independent Director, 58, rue Glesener, L-1630 Luxembourg, Grand Duchy of Luxembourg
- Anna Måbäck, Independent Director, Frognersterveien 52 b, 0776 Oslo, Norway

The Directors are responsible for the overall management and control of the Fund. They will review the operations of the Fund and the Management Company.

MANAGEMENT COMPANY

The Directors of the Fund have appointed SEB Fund Services S.A. as the Management Company of the Fund to be responsible on a day-to-day basis, under supervision of the Directors, for providing administration, marketing, and investment management services in respect of all Sub-Funds. In respect of all Sub-Funds, the Management Company has delegated its investment management functions to Pareto Asset Management AS.

The Management Company also acts as central administration agent.

The Management Company shall also ensure compliance of the Fund with the investment restrictions and oversee the implementation of the Fund's strategies and investment policy. The Management Company shall also send reports to the Directors on a periodic basis and inform each board member without delay of any non-compliance of the Fund with the investment restrictions.

The Management Company will receive periodic reports from the Investment Manager detailing the Fund's performance and analysing its investment portfolio. The Management Company will receive

similar reports from the Fund's other services providers in relation to the services which they provide.

SEB Fund Services S.A. was incorporated for an unlimited period on 2 August 1993 in the form of a *société anonyme* in Luxembourg under the name of SEB Lux Advisory Company S.A. It has been transformed into a management company and changed name with effect on 22 October 2004. The Management Company is governed by Chapter 15 of the Law.

It has its registered office in Luxembourg at 4, rue Peternechen, L-2370 Howald. The articles of incorporation of the Management Company were published in the *Mémorial C*, official gazette of the Grand-Duchy of Luxembourg, as of 16 November 2004. The last amendment thereto was published on 20 August 2014.

The exclusive objective of the Management Company is the creation, the administration, the management and the distribution of undertakings for collective investment, specialised investment funds (SIF), venture capital investment companies (SICAR) and pension funds.

The accounts of the Management Company are audited by an independent authorised auditor. This task has been entrusted to PricewaterhouseCoopers, *société coopérative*.

The Management Company currently also acts as management company for other investment funds. The names of these investment funds are available on request at the Management Company's registered office.

The board of directors of the Management Company is composed as follows:

Gustaf Unger (Chairman)
Head of Asset Servicing
Skandinaviska Enskilda Banken AB (publ)
Sweden

Marie Juhlin
Managing Director
SEB Fund Services S.A.
4, rue Peternechen
L-2370 Howald
Luxembourg

Göran Fors
Deputy Head of Investor Services
Large Corporates and Financial
Skandinaviska Enskilda Banken AB (publ)
Sweden

Jonas Lindgren
Client Executive, Hedge Fund Coverage
SEB Markets
Sweden

INVESTMENT MANAGER

The Management Company has appointed Pareto Asset Management AS as Investment Manager of the Fund. Pareto Asset Management AS is authorised and regulated by the Financial Supervisory Authority of Norway.

Pareto Asset Management AS was established in 1995 and serves as the asset management arm of the Pareto group. Pareto Asset Management AS is an independent company offering discretionary mandates, equity funds and fixed income funds. The total AUM pr. December 2014 was NOK 44,8 billion. The services of Pareto Asset Management AS are directed at large and medium-sized entities in the private and public sectors, pension funds, foundations and high net worth individuals.

Pareto Asset Management AS has managed the Pareto group's own assets since inception in 1995, and the Pareto group continues to be heavily co-invested with its clients.

Pareto Asset Management offers a conservative investment approach. The management philosophy is characterised by a long-term approach, fundamental analysis and consistency.

Pareto Asset Management AS, works systematically with ethical considerations in the management of its funds. It shall not make investments which constitute an unacceptable risk of investments contributing to unethical acts or omissions. Such contributions could reduce the sustainability and long-term value creation of the Fund. Pareto Asset Management AS's ethical guidelines are based on the guidelines of Statens pensjonsfond (the Norwegian Government Pension Fund).

The board of directors of Pareto Asset Management AS is composed as follows:

Cathrine Lofterød Fegth (Chairperson)
Working director, Odlo International AG
Oslo, Norway

Erik Bartnes (Member)
Private Investor
Oslo, Norway

Christopher Bjerke (Member)
Veidekke ASA
Oslo, Norway

Svein Støle (Member)
Owner of the Pareto Group
Oslo, Norway

Thomas Kjær Skjoldmo (Member)
CEO Aweco Invest AS (Family Office)
Oslo, Norway

The auditor of Pareto Asset Management AS is Deloitte AS, P.O. Box 221 Sentrum, 0103 Oslo, Norway.

The Investment Manager was appointed pursuant to an Investment Management Agreement with the Management Company and the Fund dated 23 March 2015 (the "Investment Management Agreement") to provide day-to-day management of the Fund's investments, subject to the overall

supervision and responsibility of the Management Company. The Investment Manager is required to adhere strictly to the guidelines laid down by the Management Company. In particular, the Investment Manager is required to ensure that the assets of the Fund and each Sub-Fund are invested in a manner consistent with the Fund's and the Sub-Funds' investment restrictions and that cash belonging to the Fund and each Sub-Fund is invested in accordance with the guidelines laid down by the Directors and the Management Company.

According to the Investment Management Agreement, the Investment Manager may, only with the prior approval of the Management Company and the Fund, and the CSSF's authorisation, delegate to a third party all or a part of its management duties. Any such delegation shall be reflected in an updated Prospectus.

The Investment Manager will be entitled to such fees as mentioned in the relevant Annex for each Sub-Fund.

DEPOSITARY AND PAYING AGENT

Pursuant to a depositary and paying agent services agreement dated 13 October 2016 (the **"Depositary Agreement"**), Skandinaviska Enskilda Banken S.A. has been appointed as depositary of the Fund (the **"Depositary"**). The Depositary will also provide paying agent services to the Fund.

Skandinaviska Enskilda Banken S.A. is a public limited company (société anonyme) under the laws of Luxembourg incorporated for an unlimited duration. Its registered and administrative offices are at 4, rue Peternelchen, L-2370 Howald, Luxembourg. It is licensed to engage in all banking operations under Luxembourg law.

The Depositary has been appointed for the safe-keeping of the assets of the Fund which comprises the custody of financial instruments, the record keeping and verification of ownership of other assets of the Fund as well as the effective and proper monitoring of the Fund's cash flows in accordance with the provisions of the 2010 Law, as amended from time to time, and the Depositary Agreement.

In addition, the Depositary shall also ensure that (i) the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg law and the Articles of Incorporation; (ii) the value of the Shares is calculated in accordance with Luxembourg law and the Articles of Incorporation; (iii) the instructions of the Management Company or the Company are carried out, unless they conflict with applicable Luxembourg law and/or the Articles of Incorporation; (iv) in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits; and (v) the Fund's incomes are applied in accordance with Luxembourg law and the Articles of Incorporation.

In carrying out its functions the Depositary acts honestly, fairly, professionally and independently and solely in the interest of the investors. The Depositary is on an ongoing basis analyzing, based on applicable laws and regulations as well as its conflict of interest policy potential conflicts of interests that may arise while carrying out its functions. It has to be taken into account that the Management Company and the Depositary are members of the same SEB group. Thus, both have put in place policies and procedures ensuring that they (i) identify all conflicts of interests arising from that link and (ii) take all reasonable steps to avoid those conflicts of interest. Where a conflict of interest arising out of the group link between the Management Company and the Depositary cannot be avoided, the Management Company or the Depositary will manage, monitor and disclose that conflict of interest in order to prevent adverse effects on the interests of the Fund and of the investors.

When performing its activities, the Depositary obtains information relating to funds which could theoretically be misused (and thus raise potential conflict of interests issues) in relation to e.g. the interests of other clients of the SEB Group, whether engaging in trading in the same securities or

seeking other services, particularly in the area of offering services competing with the interests of other counterparties used by the funds/fund managers, and the interests of the Depositary's employees in personal account dealings. Potential conflicts of interests in the SEB Group can be further exemplified as not market equivalent pricing of the depositories' services and the undue influence in the management and board of directors of the funds/fund managers by the Depositary, and vice versa.

Consequently, to mitigate the potential conflicts of interest, it has been ensured that the activities of a depositary function are physically, hierarchically and systematically separated from other functions of the Depositary in order to establish information firewalls. Moreover, the depositary function has a mandate and a veto to approve or decline fund clients independent of other functions and has its own committees for escalation of matters connected to its role as a depositary, where other functions with potentially conflicting interests are not represented.

For further details on management, monitoring and disclosure of potential conflicts of interest please refer to Instruction for Handling of Conflicts of Interest in Skandinaviska Enskilda Banken S.A. which can be found on the following webpage:

http://sebgroupl.lu/siteassets/about-seb/policies/sebsa_conflict_of_interest.pdf

In compliance with the provisions of the Depositary Agreement and the 2010 Law, as amended from time to time, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody, duly entrusted to the Depositary for custody purposes, and/or all or part of its duties regarding the record keeping and verification of ownership of other assets of the Fund to one or more delegate(s), as they are appointed by the Depositary from time to time.

In order to avoid any potential conflicts of interest, irrespective of whether a given delegate is part of the SEB Group or not, the Depositary exercise the same level of due skill, care and diligence both in relation to the selection and appointment as well as in the on-going monitoring of the relevant delegate. Furthermore, the conditions of any appointment of a delegate that is member of the SEB Group will be negotiated at arm's length in order to ensure the interests of the investors. Should a conflict of interest occur and in case such conflict of interest cannot be neutralized, such conflict of interest as well as the decisions taken will be disclosed to the investors and the Prospectus revised accordingly. An up-to-date list of these delegates can be found on the following webpage:

<http://sebgroupl.lu/siteassets/corporations-and-institutions/global-custody-network.pdf>

Where the law of a third country requires that financial instruments are held in custody by a local entity and no local entity satisfies the delegation requirements of article 34bis, paragraph 3, lit. b) i) of the 2010 Law, the Depositary may delegate its functions to such local entity to the extent required by the law of that third country for as long as there are no local entities satisfying the aforementioned requirements.

In order to ensure that its tasks are only delegated to delegates providing an adequate standard of protection, the Depositary has to exercise all due skill, care and diligence as required by the 2010 Law in the selection and the appointment of any delegate to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any delegate to which it has delegated parts of its tasks as well as of any arrangements of the delegate in respect of the matters delegated to it. In particular, any delegation is only possible when the delegate at all times during the performance of the tasks delegated to it segregates the assets of the Fund from the Depositary's own assets and from assets belonging to the delegate in accordance with the 2010 Law. The Depositary's liability shall not be affected by any such delegation unless otherwise stipulated in the 2010 Law and/or the Depositary Agreement.

An up-to-date information regarding the Depositary, its duties and the conflicts of interest that may arise, any safekeeping functions delegated by the Depositary, the list of delegates and any conflicts of interests that may arise from such delegation, is available to the investors upon request at the registered office of the Management Company.

The Depositary is liable to the Fund or its investors for the loss of a financial instrument held in custody by the Depositary and/or a delegate. In case of loss of such financial instrument, the

Depository has to return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay. In accordance with the provisions of the 2010 Law, the Depository will not be liable for the loss of a financial instrument, if such loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depository shall be liable to the Fund and to the investors for all other losses suffered by them as a result of the Depository's negligent or intentional failure to properly fulfil its duties in accordance with applicable law, in particular the 2010 Law and/or the Depository Agreement.

The Fund and the Depository may terminate the Depository Agreement at any time by giving ninety (90) days' notice in writing. In case of a voluntary withdrawal of the Depository or of its removal by the Fund, the Depository must be replaced at the latest within two (2) months after the expiry of the aforementioned termination notice by a successor depository to whom the Fund's assets are to be delivered and who will take over the functions and responsibilities of the Depository. If the Management Company/Company does not name such successor depository in time the Depository may notify the CSSF of the situation. The Management Company/Company will take the necessary steps, if any, to initiate the liquidation of the Fund, if no successor depository bank has been appointed within two (2) months after the expiry of the aforementioned termination notice of ninety (90) days.

SUB-ADMINISTRATOR AND REGISTRAR AND TRANSFER AGENT

With the prior consent of the Directors, the Management Company has delegated its central administration duties in relation to the administration, domiciliary, registrar and transfer agency of the Fund to European Fund Administration S.A.

As such, European Fund Administration S.A is responsible for the general administrative functions required by Luxembourg law, calculating the Net Asset Values of the Fund and its relevant Sub-Funds or Classes and maintaining the accounting records of the Fund, and is also responsible for the procedure of registration, conversion, issue, transfer, cancellation and redemption of the Shares as well as for the keeping of the Shareholders' register.

AUDITOR

Deloitte S.A. has been appointed as Auditor of the Fund.

POOLING

The Investment Manager may invest and manage all or any part of the portfolios of assets established for two or more Sub-Funds (hereafter the "Participating Sub-Funds") on a pooled basis. Any such asset pool (an "Asset Pool") will be formed by transferring to it cash or other assets (subject that such other assets being appropriate with respect to the investment policy of the Asset Pool concerned) from each Participating Sub-Fund. The Investment Manager may, from time to time, make further transfers to the Asset Pool. Assets may also be transferred back to a Participating Sub-Fund up to the amount of the participation of the relevant Participating Sub-Fund.

The share of a Participating Sub-Fund in an Asset Pool is measured by reference to units of equal value in the Asset Pool. At the time of the formation of an Asset Pool, the Investment Manager shall determine the initial value of a unit (expressed in the currency considered to be appropriate by the Investment Manager), and will allocate to each Participating Sub-Fund units having an aggregate

value equal to the amount of cash (or the value of the other assets) contributed. Thereafter, the value of a unit will be determined by dividing the net asset value of the Asset Pool by the number of existing units.

The entitlements of each Participating Sub-Funds to the Asset Pool apply to each and every line of investments of such Asset Pool.

When cash or supplemental assets are contributed to or withdrawn from an Asset Pool, the number of units of the relevant Participating Sub-Fund will be increased or reduced, as the case may be, by the number of units determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of a unit. Where a cash contribution is made, this contribution will, for the purpose of calculation, be reduced by an amount which the Directors consider appropriate to reflect fiscal charges, dealing and purchase costs which may be incurred by investing the cash concerned; in case of cash withdrawal, a corresponding addition will be made to reflect costs which may be incurred in realising securities or other assets of the Asset Pool.

Dividends, interests and other income received and having their origin in securities or other assets belonging to an Asset Pool will be immediately allocated to the Participating Sub-Fund in proportion to their respective participation in the Asset Pool at the time of receipt. Upon dissolution of the Fund, the assets in an Asset Pool will (subject to the creditors' rights) be allocated to the Participating Sub-Funds in proportion to their respective participation in the Asset Pool.

SUBSCRIPTIONS

Investors may subscribe for Shares in each Sub-Fund during an Initial Offering Period at the fixed price specified in the relevant Annex which may be increased by a Subscription Charge and thereafter as of each Valuation Day at the relevant Net Asset Value which may be increased by a Subscription Charge as specified in the relevant Annex.

Applicants for Shares should complete an Application Form (an "Application Form") and send it to the Registrar and Transfer Agent by facsimile, with the original following by post. The Application Form should be received for 1st subscription only.

Applications for subscription may only be for amounts to be invested in Shares and not for numbers of Shares.

All Shares will be allotted immediately upon subscription and payment therefore must be received by the Fund, in the reference currency of the relevant Class no later than the period of time specified in the relevant Annex. Otherwise subscriptions may be cancelled without prejudice to the Funds right to recover any charges due to losses incurred.

Thereafter, completed Application Forms must be received by the Registrar and Transfer Agent by no later than the period of time specified in the relevant Annex. Cleared funds must be received on an account of the Fund in the reference currency of the relevant Class no later than the period of time specified in the relevant Annex.

Fractions of Shares may be issued up to four (4) decimal places. Rights attached to fractions of Shares are exercised in proportion to the fraction of a Share held except that fractions of Shares do not confer any voting rights.

The Directors reserve the right to reject any subscription in whole or part at its absolute discretion, in which event the amount paid on the subscription or the balance thereof (as the case may be) will be

returned (without interest) as soon as practicable in the currency of subscription or at the discretion of the applicant, at the risk and cost of the applicant.

Once completed subscriptions have been received by the Registrar and Transfer Agent they are irrevocable.

The Directors reserve the right from time to time, without notice, to resolve to close the Fund or a particular Sub-Fund to new subscriptions, either for a specified period or until they otherwise determine.

Shares may be subscribed against contributions in kind considered acceptable by the Directors on the basis of the investment policy of the relevant Sub-Fund. Such contributions in kind will be valued in an auditor's report as required by Luxembourg law. The subscribing Shareholder shall normally bear the costs resulting from the subscription in kind (mainly costs relating to the drawing up of the auditor's report).

Institutional Investors

As detailed in the relevant Annexes, the sale of Shares of certain Classes may be restricted to institutional investors, within the meaning of article 174 of the 2010 Law, as interpreted by guidelines or recommendations issued by Luxembourg supervisory authorities ("Institutional Investors") and the Fund will not issue or give effect to any transfer of Shares of such Classes to any investor who may not be considered an Institutional Investor.

The Directors may, at its discretion, delay the acceptance of any subscription for Shares of a Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor.

Ineligible Applicants

The Application Form requires each prospective applicant for Shares to represent and warrant to the Fund that, among other things, he is able to acquire and hold Shares without violating applicable laws.

The Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable US securities laws.

Shares may generally not be issued or transferred to any US Person, except that the Directors may authorise the issue or transfer of Shares to or for the account of a US Person provided that:

- such issue or transfer does not result in a violation of the 1933 Act or the securities laws of any of the States of the United States;
- such issue or transfer will not require the Fund to register under the 1940 Act;
- such issue or transfer will not cause any assets of the Fund to be "plan assets" for the purposes of ERISA (US Employee Retirement Income Securities Act of 1974 (as amended)); and
- such issue or transfer will not result in any adverse regulatory or tax consequences to the Fund or its Shareholders.

Each applicant for and transferee of Shares who is a US Person will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue, or the registration of any transfer, of Shares.

Subject as mentioned above, Shares are freely transferable. The Directors may, however, refuse to register a transfer which would result in either the transferor or the transferee remaining or being registered (as the case may be) as the holder of Shares in a Sub-Fund valued at less than the minimum holding requirement.

The Fund will require from each registered Shareholder acting on behalf of other investors that any assignment of rights to Shares be made in compliance with applicable securities laws in the jurisdictions where such assignment is made and that in unregulated jurisdictions such assignment be made in compliance with the minimum holding requirement.

Form of Shares

Shares will either be issued as registered Shares which will be recorded in a nominal account or may be made available through securities settlement systems.

Minimum initial and subsequent subscription, and holding amounts

The Directors may set and waive at their sole discretion any minimum initial and subsequent subscription amount and minimum holding amount specified for each Class of Shares in each Sub-Fund in the relevant Annex, as the case may be.

Suspension

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "General and Statutory Information". No Shares will be issued in the relevant Sub-Fund during any such period of suspension.

Prevention of Money Laundering and Terrorism Financing

The Management Company or its delegates will monitor the prevention of money laundering/terrorism financing throughout specific measures.

As a result of such measures, the Management Company or its delegates (including Distributor, Registrar and Transfer Agent and/or their delegate(s)) must ascertain the identity of each applicant for shares. In accordance with international rules and Luxembourg laws and regulations (including but not limited to the law of 12 November 2004 on the fight against money laundering and terrorist financing (as amended) (the "Law of 2004")) and associated circulars of the CSSF, the Registrar and Transfer Agent or its delegate(s) may request to be provided with documents, as determined from time to time, for the identification of an applicant for Shares, and then updated documents pursuant to ongoing client due diligence requirements under relevant laws and regulations.

Documentation requirements must thus be fully satisfied before any subscription is effected.

The true identity of an applicant for shares must be adequately documented in the form and contents required by law and regulation and satisfactory to the Management Company or its delegates. The documentation requirements will be adapted to the legal nature of the applicant.

This means that for natural persons, identity verification will be performed on the basis of a duly certified copy of an official legitimising identification document, which includes the name and surname, the address, the date and place of birth, an ID number, the occupation (please note that certain positions or activities may trigger enhanced due diligence requirements). For legal entities, identification typically requires certified true copies of the articles of incorporation or equivalent document, certificate of incorporation or equivalent document, authorised signatories list, identification of the representatives/proxies of the entity (according to the procedure applied for natural persons), most recent financial statements, and any other document which could be retained as relevant in order to fulfil with all the obligations related to the prevention of money-laundering and terrorism financing. The list of documents required and the relevance of certain evidence may

vary depending on the participation of specific intermediaries and/or the legal nature of the applicant, his activity or business, and, in certain instances, his country of origin or his country of residence, which may trigger enhanced due diligence from the entity receiving the application request.

Identification shall be performed on the basis of current documents, i.e. either within stated validity date, or reasonably recent where documents bear no validity date, and provide information prevailing at the time of completion of the customer due diligence procedure ('CDD'). When documents presented for CDD purposes cannot be obtained and/or recorded in original, copies duly certified by a competent authority (notary, police officer, embassy, consulate) will be required. Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons.

In the event of delay or failure by the applicant to supply any information required for due diligence purposes, the Registrar and Transfer Agent or its delegate(s) may refuse to accept the application and subscription monies or return subscriptions monies (less expenses) if information required is not supplied prior to the subscription cut-off time as defined in the present document. This may result also in Shares being issued on a Valuation Day subsequent to the Valuation Day on which an applicant initially wished to have Shares issued to him. It is further acknowledged that the applicant shall hold the Management Company or its delegates harmless against any loss of interest or investment opportunity arising as a result of a failure to process the subscription if such due diligence documentation has not been supplied on time by the applicant.

REDEMPTIONS

Shares are redeemable at the option of the Shareholders. Shareholders should send a completed redemption request to the Registrar and Transfer Agent by mail, facsimile, or other electronic medium approved by the Funds Register and Transfer Agent. All redemption requests are to be received by the Registrar and Transfer Agent no later than the time specified in the relevant Annex. Shares will be redeemed based on the Redemption Price as at the applicable Valuation Day decreased by a Redemption Charge as specified for each Class and Sub-Fund in the relevant Annex.

If redemption requests for more than 10% of the Net Asset Value of a Sub-Fund are received, then the Fund shall have the right to limit redemptions so they do not exceed this threshold amount of 10% calculated at the level of each Sub-Fund. Redemptions shall be limited with respect to all Shareholders seeking to redeem Shares as of a same Valuation Day so that each such Shareholder shall have the same percentage of its redemption request honoured; the balance of such redemption requests shall be processed by the Fund on the next day on which redemption requests are accepted, subject to the same limitation. On such day, such requests for redemption will be complied with in priority to subsequent requests. At the moment of submitting their redemption requests, Shareholders may elect to have their redemption request cancelled automatically if the above provisions should have as a result that the entirety of the redemption request cannot be honoured. In such case, the Shareholder will present a new redemption request on any following Valuation Day.

In exceptional circumstances the Directors may request that a Shareholder accepts 'redemption in kind' i.e. receives a portfolio of stock of equivalent value to the appropriate cash redemption payment. In such circumstances the investor must specifically accept the redemption in kind. He may always request a cash redemption payment in the reference currency of the Class. Where the investor agrees to accept redemption in kind he will, as far as possible, receive a representative selection of the Class' holdings pro rata to the number of Shares redeemed and the Directors will make sure that the remaining Shareholders do not suffer any loss therefrom. The value of the

redemption in kind will be certified by a report drawn up by the auditors of the Fund in accordance with the requirements of Luxembourg law. However, where the redemption in kind exactly reflects the Shareholder's pro-rata share of investments, no auditor's report will be required. The redeeming Shareholder shall normally bear the costs resulting from the redemption in kind (mainly costs relating to the drawing up of an auditor's report, if any) unless the Directors consider that the redemption in kind is in the interest of the Fund or made to protect the interest of the Fund.

A redemption request, once given, is irrevocable. Shares redeemed by the Fund are cancelled.

Payment of redemption proceeds will have to be made no later than the period of time provided in the relevant Annex for a Sub-Fund. Payment will be made in the reference currency of the relevant Class by transfer to the bank account specified by the redeeming Shareholder to the Registrar and Transfer Agent.

Suspension

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "General and Statutory Information". No Shares will be redeemed in the relevant Sub-Fund during any such period of suspension.

Compulsory Redemptions

The Directors have the right to require the compulsory redemption of all Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for the benefit of any Shareholder who is or becomes an Ineligible Applicant as described under "Subscriptions". The Fund also reserves the right to require compulsory redemption of all Shares held by a Shareholder in a Sub-Fund if the Net Asset Value of the Shares held in such Sub-Fund by the Shareholder is less than the applicable minimum holding requirement.

Shareholders are required to notify the Registrar and Transfer Agent immediately if at any time they become US Persons or hold Shares for the account or benefit of US Persons.

When the Directors become aware that a Shareholder (A) is a US Person or is holding Shares for the account or benefit of a US Person, so that the number of US Persons known to the Directors to be beneficial owners of Shares for the purposes of the 1940 Act exceeds 99 or such other number as the Directors may determine from time to time; (B) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Fund or its Shareholders including, but not limited to, a situation in which more than 25 % of the Shares are owned by benefit plan investors; or (C) has failed to provide any information or declaration required by the Directors within ten days of being requested to do so, the Directors will either (i) direct such Shareholders to redeem or to transfer the relevant Shares to a person who is qualified or entitled to own or hold such Shares or (ii) redeem the relevant Shares.

If it appears at any time that a holder of Shares of a Class restricted to Institutional Investors is not an Institutional Investor, the Fund will either redeem the relevant Shares in accordance with the above provisions or convert such Shares into Shares of a Class which is not restricted to Institutional Investors (provided there exists such a Class with similar characteristics) and notify the relevant shareholder of such conversion.

Any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer or redeem his Shares pursuant to the above provisions shall indemnify and hold harmless the Management Company, each of the Directors, the Fund, the Depositary, the Administrator, Registrar and Transfer Agent, the Investment Manager and the Shareholders of the Fund (each an "Indemnified Party") from any claims, demands, proceedings,

liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

CONVERSIONS

Subject to any prohibition of conversions contained in an Annex and to any suspension of the determination of any one of the Net Asset Values concerned, Shareholders have the right to convert all or part of their Shares of any Class of a Sub-Fund into Shares of another existing Class of that or another Sub-Fund by applying for conversion in the same manner as for the redemption of Shares. However, the right to convert Shares is subject to compliance with any conditions (including any minimum subscription or holding amounts) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the minimum holding amount, the Directors may decide not to accept the request for conversion of the Shares and the Shareholder would be informed of such decision. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant minimum holding amount, the Shareholder may be deemed (if the Directors so decide) to have requested the conversion of all of his Shares.

The number of Shares issued upon conversion will be based upon the respective Net Asset Values of the two Classes concerned on the common Valuation Day for which the conversion request is accepted.

If there is no common Valuation Day for any two Classes, the conversion will be made on the basis of the Net Asset Value calculated on the next following Valuation Day of each of the two Classes concerned.

No conversion charge will be levied on conversions.

Suspension

The Directors may declare a suspension of the calculation of the Net Asset Value of Shares in certain circumstances as described under "General and Statutory Information". No Shares will be converted in the relevant Sub-Funds during any such period of suspension.

NET ASSET VALUE

The Net Asset Value per Share of each Class will be determined and made available in its reference currency by the Administrator as at such time as the Directors shall determine as of each Valuation Day.

The Net Asset Value per Share as of any Valuation Day will be calculated in the reference currency of the relevant Class by dividing the Net Asset Value of the Class by the number of Shares in issue in such Class as of that Valuation Day.

The Net Asset Value of each Class will be determined by deducting from the total value of the assets attributable to the relevant Class, all accrued debts and liabilities attributable to that Class.

To the extent feasible, expenses, fees and income will be accrued on a daily basis.

Assets and liabilities of the Fund will be valued in accordance with the following principles:

- a) Securities and/or financial derivative instruments listed on Regulated Markets, which operate regularly and are recognised and open to the public, will be valued at the last available closing price; in the event that there should be several such markets, on the basis of the last available closing price of the main market for the relevant security. Should the last available closing price for a given security not truly reflect its fair market value, then that security shall be valued on the basis of the probable sales prices which the Directors deems is prudent to assume;
- b) Securities and/or financial derivative instruments not listed on Regulated Markets, which operate regularly and are recognised and open to the public, will be valued on the basis of their last available closing price. Should the last available closing price for a given security not truly reflect its fair market value, then that security will be valued by the Directors on the basis of the probable sales price which the Directors deems is prudent to assume;
- c) Shares or units in underlying open-ended investment funds shall be valued at their last available net asset value;
- d) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner. Short-term investments that have a remaining maturity of one year or less may be valued (i) at market value, or (ii) where market value is not available or not representative, at amortised cost;
- e) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof.

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Directors may, at their discretion, prudently and in good faith follow other methods of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice in order to achieve a fair valuation of the assets of the Fund.

The value of assets denominated in a currency other than the reference currency of a Sub-Fund shall be determined by taking into account the rate of exchange prevailing at the time of determination of the Net Asset Value.

The Management Company has delegated to the Administrator the determination of the Net Asset Value and the Net Asset Value per Share.

The assets and liabilities of the Fund shall be allocated in such manner as to ensure that the proceeds received upon the issue of Shares of a specific Sub-Fund shall be attributed to that Sub-Fund. All of the assets and liabilities of a specific Sub-Fund as well as the income and expenses which are related thereto shall be attributed to that Sub-Fund. Assets or liabilities which cannot be attributed to any particular Sub-Fund shall be allocated to all the Sub-Funds pro rata to the respective Net Asset Value of the Sub-Funds. The proportion of the total net assets attributable to each Sub-Fund shall be reduced as applicable by the amount of any distribution to Shareholders and by any expenses paid.

LATE TRADING AND MARKET TIMING

Late Trading is to be understood as the acceptance of a subscription (or conversion or redemption) order after the relevant cut-off times (as specified below) on the relevant Valuation Day and the execution of such order at the price based on the Net Asset Value applicable to such same day. Late Trading is strictly forbidden.

Market Timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts Shares of the Fund within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the relevant Sub-Fund. Market Timing practices may disrupt the investment management of the portfolios and harm the performance of the relevant Sub-Fund.

In order to avoid such practices, Shares are issued at an unknown price and neither the Fund, nor the Distributor will accept orders received after the relevant cut-off times.

The Fund reserves the right to refuse purchase (and conversion) orders into a Sub-Fund by any person who is suspected of market timing activities.

FEES AND EXPENSES

The Management Company will receive a maximum fee of 0.08% per annum calculated on the Net Asset Value of the Sub-Fund(s) on each Valuation Day for the provision of its services and with a minimum of EUR 25,000.- per annum per Sub-Fund.

The different Sub-Funds and Classes will incur an annual investment management fee payable to the Investment Manager, which reflects all expenses related to the investment management of the Sub-Funds and Classes. The investment management fee which is expressed as a percentage of the Net Asset Value is specified in the relevant Annex. The Investment Manager may from time to time, at its sole discretion, and out of its own resources, rebate part or all of the Investment Management Fee to entities or intermediaries such as, but not limited to:

- life insurance companies;
- pension funds and other retirement provision institutions;
- investment foundations;
- foreign fund management companies and providers;
- investment companies.

The Investment Manager may also pay trailer fees to certain intermediaries such as private banks and funds of funds.

The Investment Manager is also entitled to receive a performance fee for certain Classes of Shares as described in each Annex to this Prospectus.

The Administrator, Registrar and Transfer and Domiciliary Agent shall be entitled to receive an administration fee from the Fund in accordance with market practice in Luxembourg. Details regarding the calculation method and the applicable amount are set out for each Sub-Fund in the relevant Annex.

Similarly, the Depositary shall be entitled to receive a Depositary Fee from the Fund in accordance with market practice in Luxembourg. Details regarding the calculation method and the applicable amount are set out for each Sub-Fund in the relevant Annex.

The other costs charged to the Fund or to the different Sub-Funds or Classes include:

- the costs of establishing the Fund and the Sub-Funds. In case where further Sub-Funds are created in the future, these Sub-Funds will bear, in principle, their own formation expenses. The establishment costs may, at the discretion of the Directors, be amortised on a straight line basis over 5 years from the date on which the Fund/Sub-Funds commenced business. The Directors may, in their absolute discretion, shorten the period over which such costs are amortised;
- the tax d'abonnement as described in chapter "Taxation" hereafter;
- the fees of directors, auditors and legal advisors, the costs of preparing, printing and distributing all prospectuses, memoranda, reports and other necessary documents concerning the Fund, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agency and stock exchange, the costs of publishing prices and the operational expenses, the costs and expenses of preparing, printing and distributing materials used by the Global Distributor in connection with its marketing, promotion and offering for sale of the Shares to the public or through private placements, any expenses of advertising incurred by the Global Distributor in connection with such marketing, promotion and offering provided that they were prior approved by the Management Company or the Fund, and the cost of holding shareholders meetings;
- standard brokerage and bank charges incurred by the Fund's business transactions; and
- any additional administrative expenses incurred by the Fund, its agents or the Depositary when acting in the interest of the Shareholders.

REPORTS AND FINANCIAL STATEMENTS

The financial year of the Fund ends on 31 December in each year.

The audited annual reports and the unaudited semi-annual reports will comprise consolidated financial statements of the Fund expressed in Euro, being the reference currency of the Fund, and financial information on each Sub-Fund expressed in the reference currency of each Sub-Fund. Copies of the annual and semi-annual reports and financial statements may be obtained free of charge at the registered office of the Fund.

DIVIDEND POLICY

The dividend policy applicable for each Sub-Fund or Class is specified in the relevant Annex.

If a dividend is declared by the Fund, it will be paid to each Shareholder concerned in the currency of the relevant Sub-Fund or Class, normally by bank transfer.

Dividend payments are restricted by law in that they may not reduce the net assets of the Fund below the required minimum determined by Luxembourg law.

In the event that a dividend is declared and remains unclaimed after a period of five years from the date of declaration, such dividend will be forfeited and will revert to the Sub-Fund or Class in relation to which it was declared.

TAXATION

The following is based on the Fund's understanding of, and advice received on, certain aspects of the law and practice currently in force in Luxembourg. There can be no guarantee that the tax position at the date of this Prospectus or at the time of an investment will endure indefinitely.

Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

The Fund

Under current law and practice the Fund is not liable to any Luxembourg income tax, nor are dividends (if any) paid by the Fund liable to any Luxembourg withholding tax. However, the Fund is liable in Luxembourg to a *taxe d'abonnement* of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of the Fund at the end of the relevant quarter. The reduced *taxe d'abonnement* rate of 0.01% per annum will be applicable to Classes the Shares of which are exclusively held by Institutional Investors. To the extent that the assets of the Fund are invested in investment funds which are established in Luxembourg, no such tax is payable.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the Fund except an initial fixed capital duty of Euro 1,250 which was paid upon incorporation.

Under current law and practice, it is anticipated that no Luxembourg capital gains tax will be payable on the realised or unrealised capital appreciation of the assets of the Fund.

Shareholders

Subject to the provisions of the Law as defined under "European Union Tax Considerations" below, under current legislation Shareholders are not subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg (except for those domiciled, resident or having a permanent establishment in Luxembourg).

Common Reporting Standard

The Fund is subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "Standard") and its Common Reporting Standard (the "CRS") as set out in the Luxembourg law dated 18 December 2015 on the Common Reporting Standard (*loi relative à l'échange automatique de renseignements relatifs aux comptes financiers en matière fiscale*) (the "CRS Law").

The CRS Law is based on the European Directive 2014/107/EU of 9 December 2014 amending provisions of Directive 2011/16/EU on administrative cooperation in the field of taxation and the OECD's multilateral agreements. Consequently, to eliminate the overlap of reporting obligations created between the EU Savings Directive (the "EUSD") and the Directive 2014/107/EU, the EUSD directive has been repealed with effect from 31 December 2015 and the last reporting in accordance

with the EUSD directive, will be effected in 2016 for the calendar year 2015. Further, the first reporting to the Luxembourg tax authority (the "LTA") under the CRS Law, will be applied in 2017 for the calendar year 2016. The LTA will onward report to participating foreign tax authorities by 30 September 2017.

The intention of CRS is to safeguard against tax evasion. Accordingly, under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. Consequently, the Fund is required to collect personal and financial information as described in Annex I of the CRS Law with effect from 1 January 2016 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report this information to the LTA as from 2017.

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, the Fund will process the Information for the purposes as set out in the CRS Law. The investors undertake to inform the fund or the fund management company, if applicable, of the processing of their Information by the Fund.

The investors are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the purposes set out in the CRS Law.

The investors undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any investor that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor's failure to provide the Information or subject to disclosure of the Information by the Fund to the LTA.

If investors are in doubt, they should consult their tax advisor, stockbroker, bank manager, solicitor, account or other financial advisor regarding the possible implications of CRS on an investment in the Fund.

FATCA

Under an intergovernmental agreement concluded between Luxembourg and the United States of America, the Fund will be classified as a 'Reporting Financial Institution' for the purposes of FATCA. The main purpose of the legislation is to require financial institutions to identify and report the financial accounts of "Specified U.S. Persons". In order to do so, shareholders may be required to provide further information regarding themselves on request.

As part of the subscription process the Shareholders will be asked to complete a self-certification form that requires them to provide the Fund with the necessary information. The Shareholders are required to complete all sections in the relevant form as directed. If any Shareholders have any questions about their organization's classification, for this purpose they should contact their tax adviser. Should any information provided change in the future, Shareholders are required to advise the Fund of the changes within 30 days.

The Fund will report the financial accounts held by Specified U.S. Persons to the Luxembourg tax authorities, who will then provide such information to the U.S. Internal Revenue Services. Any shareholder refusing to provide the requisite information will also be reported.

Prospective investors should consult their own tax advisor with regard to the U.S. federal, state, local and non-U.S. tax reporting and certification requirements associated with an investment in the Fund.

Further, prospective investors should be aware that further automatic exchange of information regimes are due to be introduced and that these may apply to holdings in the Fund.

General

The receipt of dividends (if any) by Shareholders, the redemption or transfer of Shares and any distribution on a winding-up of the Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Fund.

Investors should be aware that according to international tax practice the place of effective management is normally the place where the key management and commercial decisions that are necessary for the conduct of the Fund's business are made in substance. If the Fund is considered effectively managed in another country than Luxembourg, like in Norway for instance, there is a risk that the Fund be subject to taxation as similar entities are in such jurisdiction as if the Fund was established there.

Also, even though the Fund is considered effectively managed from Luxembourg, a tax liability in another jurisdiction can arise if the Fund has a permanent establishment in such jurisdiction. A permanent establishment is normally considered to exist if there is a fixed place of business in another jurisdiction through which the business is wholly or partly carried on. A permanent establishment will normally be subject to taxation in this jurisdiction based on the profits attributable to the activities there.

The Directors, the Fund and each of the Fund's agents shall have no liability in respect of the individual tax affairs of Shareholders.

GENERAL AND STATUTORY INFORMATION

The information in this section includes a summary of some of the provisions of the Articles of Incorporation and Material Contracts described below and is provided subject to the general provisions of each of such documents.

1. The Fund

The Fund was incorporated as an open-ended investment company (*société d'investissement à capital variable* – SICAV) with multiple compartments on 5 May 2010. The duration of the Fund is indefinite. The duration of the Sub-Funds may be limited. The initial capital on incorporation was EUR 31,000. On incorporation all the Shares representing the initial capital were subscribed for and were fully paid. The Fund has designated a management company that is subject to chapter 15 of the 2010 Law. The Articles of Incorporation were published in the Mémorial, Recueil des Sociétés et Associations on 21 May 2010. The Articles of Incorporation have been filed with the *Registre de Commerce et des Sociétés of Luxembourg* where they may be inspected and where copies thereof can be obtained.

The Fund is designed to offer investors, within the same investment vehicle, a choice between several Sub-Funds, which are managed separately and are distinguished principally by their specific investment policy and/or by the currency in which they are denominated.

2. Share Capital

The capital of the Fund will always be equal to the value of its net assets. The Shares are of no par value and must be issued fully paid. The Shares carry no preferential or pre-emption rights and each share is entitled to one vote at all meetings of Shareholders.

3. Temporary suspension of Net Asset Value calculations and of issues, redemption and conversion of Shares

The Directors may suspend the determination of the Net Asset Value and hence the issue, redemption and conversion of Shares if at any time, the Directors believe that exceptional circumstances constitute forcible reasons for doing so. Such circumstances can arise in the following cases:

- a) any period when any of the principal markets or exchanges on which a substantial portion of the investments of the relevant Sub-Fund from time to time are quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;
- b) the existence of any state of affairs which constitutes an emergency as a result of which the disposal or valuation of assets owned by the relevant Sub-Fund would be impracticable, not accurately or not without seriously prejudicing the interests of the shareholders of the Fund;
- c) any breakdown in the means of communication normally employed in determining the price of any of the investments of the relevant Sub-Fund or the current prices on any market or stock exchange;
- d) any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on the redemption of Shares cannot in the opinion of the Directors be effected at normal rates of exchange; or
- e) as soon as the Directors have convened a general meeting of Shareholders to resolve on the liquidation of the Fund.

No Shares will be issued, redeemed or converted when the determination of the Net Asset Value is suspended. In such a case, a subscription for Shares, a redemption or a conversion request may be withdrawn, provided that a withdrawal notice is received by the Registrar and Transfer Agent before the suspension is terminated. Unless withdrawn, subscriptions for Shares, redemptions and conversion requests will be acted upon on the first Valuation Day after the suspension is lifted on the basis of the Subscription Price, Redemption Price or Conversion Price (as the case may be) then prevailing. Notice of any such suspension will be published, if, in the opinion of the Directors, it is likely to exceed five Business Days and will be notified to all persons who have applied for, or requested the redemption or conversion of, Shares. The Directors will, at their discretion, decide in which newspapers such notices shall be published, taking into account in particular the countries in which the Shares are offered for sale to the public.

4. Publication of Prices

The Net Asset Value per Share may be obtained at the registered office of the Fund.

5. Meetings

The annual general meeting of Shareholders will be held at the registered office of the Fund in Luxembourg on the third Friday of the month of April at 11.00 a.m. in each year or, if any such day is not a bank business day in Luxembourg, on the next following bank business day. Notices of all general meetings are published in the Mémorial, Recueil des Sociétés et Associations to the extent required by Luxembourg law and in such other newspapers as the Directors shall determine. Such notices include the agenda and specify the time and place of the meeting and the conditions of admission, and refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities required for the meeting. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in Articles 67, 67-1 and 68 of the law of 10 August 1915 of the Grand-Duchy of Luxembourg and in the Articles.

Matters relating to a particular Sub-Fund may be decided by a vote at a meeting of the Shareholders of that Sub-Fund. Any change in the Articles of Incorporation affecting the rights of Shareholders of a particular Sub-Fund must be approved by a resolution both of all the Shareholders of the Fund and of the Shareholders of the Sub-Fund in question.

6. Winding-Up

The Fund may be wound up by decision of an extraordinary general meeting of the Shareholders. Such a meeting must be convened if the value of the net assets of the Fund falls below the respective levels of two-thirds or one quarter of the minimum capital prescribed by Luxembourg law. At any such meeting convened in such circumstances decisions to wind up the Fund will be taken in accordance with the requirements of Article 30 of the 2010 Law.

If the Fund is to be wound up, the winding-up will be carried out in accordance with the provisions of Luxembourg law which specify the steps to be taken to enable Shareholders to participate in distribution(s) on the winding-up and in this connection provides for the deposit in escrow at the *Caisse de Consignation* of any amounts which have not been claimed by Shareholders at the close of the winding-up. Amounts not claimed from escrow within the prescription period are liable to be forfeited in accordance with the provisions of Luxembourg law.

7. Dissolution and Amalgamation of Sub-Funds

With respect to Sub-Funds set up for a fixed term, Sub-Funds will be automatically dissolved at the end of their fixed term, as disclosed in the relevant Annex.

A Sub-Fund may also be dissolved by compulsory redemption of Shares of the Sub-Fund concerned, upon a decision of the Directors:

- a) if the Net Asset Value of the Sub-Fund concerned has decreased below Euro 15 million or the equivalent in another currency, or
- b) if a change in the economic or political situation relating to the Sub-Fund concerned would have material adverse consequences on investments of the Sub-Fund, or

- c) in order to proceed to an economic rationalisation, or
- d) if required in the interest of the Shareholders.

The Redemption Price will be the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), calculated as of the Valuation Day at which such decision shall take effect.

The Fund shall serve a written notice to the holders of the relevant Shares prior to the effective date of the compulsory redemption, which will indicate the reasons for, and the procedure of the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge prior to the effective date of the compulsory redemption, at a Redemption Price taking into account actual realisation prices of investments and realisation expenses.

Notwithstanding the powers conferred to the Directors by the preceding paragraph, a general meeting of Shareholders of any Sub-Fund may, upon proposal from the Directors, redeem all the Shares of such Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders at which resolutions shall be adopted by simple majority of those present or represented if such decision does not result in the liquidation of the Fund.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Depositary for a period of six months thereafter; after such period, the assets will be deposited in escrow with the Luxembourg *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

Under the circumstances provided under the first paragraph of this section, the Directors may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Fund or to another Luxembourg undertaking for collective investment subject to Part I of the 2010 Law and to re-designate the Shares of the Sub-Fund concerned as Shares of another Sub-Fund or Luxembourg undertaking for collective investment (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be notified to the Shareholders concerned (and, in addition, the notification will contain information in relation to the Sub-Fund or Luxembourg undertaking for collective investment), one month before the date on which the amalgamation becomes effective in order to enable Shareholders to request redemption or conversion of their Shares, free of charge, during such period. In case of contribution to another undertaking for collective investment undertaking of the mutual fund type, the decision will be binding only on shareholders of the relevant Sub-Fund who will expressly agree to the amalgamation.

8. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund and are, or may be, material:

- a) An Agreement dated as of 23 March 2015 between the Fund and the Management Company, pursuant to which the latter was appointed, subject to the overall control of the Directors, the

responsibility on a day-to-day basis, for providing administration, marketing, investment management and advisory services in respect of all the sub-funds of the Fund.

- b) An Agreement dated as of 23 March 2015 between the Management Company and the Investment Manager pursuant to which the latter was appointed, subject to the overall control of the directors of the Management Company, to manage the Fund's investments.
- c) An Agreement dated as of 13 October 2016 between the Fund and Skandinaviska Enskilda Banken S.A. pursuant to which the latter was appointed Depositary of the assets of the Fund.
- d) An Agreement dated as of 23 March 2015 between the Management Company and European Fund Administration S.A. pursuant to which the latter was appointed as Administrator and Registrar and Transfer Agent of the Fund.
- e) An Agreement dated as of 23 March 2015 between the Management Company and Pareto Asset Management AS pursuant to which the latter was appointed as Global Distributor of the Fund.

Any of the above Agreements may be amended by mutual consent of the parties, consent on behalf of the Fund being given by the Directors.

9. Documents available for inspection

Copies of the following documents are available for inspection by Shareholders during business hours on each bank business day at the registered office of the Fund:

- (1) the Articles of Incorporation of the Fund;
- (2) the Material Contracts referred to above;
- (3) the key investor information document of the Sub-Funds (the "KIID"); and
- (4) the latest available annual/semi-annual report.

10. Policies

Conflicts of interest

The Management Company, the Depositary, and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

The Board of Directors has adopted and implemented a conflicts of interest policy in accordance with its Code of Conduct.

The Management Company, the Fund, the Investment Manager, and the Depositary have adopted and implemented a conflicts of interest policy and have made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund's investors are treated fairly.

The Management Company, the Depositary and certain distributors are part of the SEB Group (the "Affiliated Person").

The Affiliated Person is a worldwide, full-service private banking, investment banking, asset management and financial services organization and a major participant in the global financial markets. As such, the Affiliated Person is active in various business activities and may have other direct or indirect interests in the financial markets in which the Fund invests.

Entities of the Affiliated Person act as counterparty and in respect of financial derivative contracts entered into by the Fund.

Potential conflicts of interest or duties may arise because the Affiliated Person may have invested directly or indirectly in the Fund. The Affiliated Person could hold a relatively large proportion of shares in the Fund. Furthermore, a potential conflict may arise because the Depositary is related to a legal entity of the Affiliated Person which provides other products or services to the Fund.

In the conduct of its business the Management Company and the Affiliated Person's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the Affiliated Persons' various business activities and the Fund or its investors. The Affiliated Person, as well as the Management Company strive to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, both have implemented procedures that shall ensure that any business activities involving a conflict which may harm the interests of the Fund or its investors, are carried out with an appropriate level of independence and that any conflicts are resolved fairly. Details can be found on the following webpage:

http://sebgroupl.lu/siteassets/about-seb/policies/sebsa_conflict_of_interest.pdf for the Depositary

http://sebgroupl.com/siteassets/corporations_and_institutions/our_services/transaction_banking/for_institutional_clients/fund_services_and_fund_execution/conflicts_of_interest_seb_fund_services.pdf for SEB Fund Services S.A.

Notwithstanding its due care and best effort, there is a risk that the organizational or administrative arrangements made by the Management Company for the management of conflicts of interest are not sufficient to ensure with reasonable confidence, that risks of damage to the interests of the Fund or its shareholders will be prevented. In such case these non-neutralized conflicts of interest as well as the decisions taken will be reported to investors in an appropriate manner (e.g. in the notes to the financial statements of the Fund). Respective information will also be available free of charge at the registered office of the Management Company.

Exercise of voting rights

A summary of the strategy for determining when and how voting rights attached to the Fund's investments are to be exercised shall be made available to investors. The information related to the actions taken on the basis of this strategy in relation to the Fund shall be made available to investors upon request at the registered office of the Fund.

Information on the Organization and exercise of voting rights' policy is available, free of charge, upon request at the registered office of the Management Company and on the Website of the Management Company.

Preferential treatment of investors

Shareholders are being given a fair treatment by ensuring that they are subject to the same rights and, as the case may be, the same obligations vis-à-vis the Fund (as such rights are obligations

notably result from the Management Regulations and this Prospectus) as those to which other Shareholders, having invested in, and equally or similarly contributed to, the same class of Shares, are subject to. Notwithstanding the foregoing paragraph, it cannot be excluded that a Shareholder be given a preferential treatment in the meaning of, and to the widest extent, allowed by, the Management Regulations. Whenever a Shareholder obtains preferential treatment or the right to obtain a preferential treatment, a description of that preferential treatment, the type of Shareholders who obtained such preferential treatment and, where relevant, their legal or economic links with the Fund or the Management Company will be made available at the registered office of the Management Company subject the same limits required by the Law.

Best execution

The Management Company acts in the best interest of the Fund when executing investment decisions. For that purpose, the Management Company shall monitor that the Investment Manager takes all reasonable steps to obtain the best possible result for the Fund, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution and settlement of the order in accordance with its Instructions for Ensuring a Proper Execution, Handling and Transmission of orders in Financial Instruments. Information on the Instructions for Ensuring a Proper Execution, Handling and Transmission of orders in Financial Instruments is available, free of charge, upon request at the registered office of the Management Company as well as on the Website.

Inducements

Third parties, including Affiliated Person, may be remunerated or compensated by SEB Fund Services S.A. in monetary/non-monetary form in relation the provision of a covered service as defined in the Instruction relating to Inducements. SEB Fund Services S.A. strives to ensure that in providing services to its investors, it acts at all times in an honest, fair and professional manner, and in the best interests of the investors. The Instruction relating to Inducements in SEB Fund Services S.A. is available, free of charge, upon request at the registered office of the Management Company and on the website of the Management Company.

Complaints' handling

Information relating to the complaints' handling procedure will be made available to investors, free of charge, upon request at the registered office of the Management Company and on the website of the Management Company.

Remuneration Policy

The Management Company has implemented a remuneration policy, which is reviewed at least annually, that is designed to encourage good performance and behavior, and seeks to achieve a balanced risk-taking that goes in line with Unitholders' /Shareholders' expectations.

In SEB Group, there is clear distinction between the criteria for setting fixed remuneration (e.g. base pay, pension and other benefits) and variable remuneration (e.g. short- and long-term variable remuneration). The individual total remuneration corresponds to requirements on task complexity, management and functional accountability and is also related to the individual's performance.

SEB Group provides a sound balance between fixed and variable remuneration and aligns the payout horizon of variable pay with the risk horizon. This implies that certain maximum levels and deferral arrangements apply for different categories of employees.

Details of the up-to-date remuneration policy are available to investors, free of charge, upon request at the registered office of the Management Company, and on the Website of the Management Company.

The policy shall secure that remuneration is in line with the business strategy, objectives, values and long term interest of the Unitholders/Shareholders, and includes measures to avoid conflicts of interests.

The assessment process of performance is based on the longer term performance of the Fund/Company and its investment risks and the actual payment of performance-based components of remuneration is spread over the same period.

The remuneration policy is available on

http://sebgroup.com/siteassets/corporations_and_institutions/our_services/transaction_banking/for_institutional_clients/fund_services_and_fund_execution/remuneration-policy-fund-services.pdf

ANNEX 1: PARETO SICAV – PARETO NORDIC CORPORATE BOND

Investment Objective and Policy

The Sub-Fund's objective is to achieve the best possible return, relative to its risk profile.

The Sub-Fund will invest in fixed income and fixed income related securities ("debt securities") issued by corporations, agencies, governments and municipalities. The debt securities may include subordinated, hybrids and convertible bonds.

The Sub-Fund will predominantly invest in securities issued by companies domiciled or with a presence in the Nordic region.

The Sub-Fund shall invest in debt securities with a higher expected return than traditional debt securities due to a higher credit risk.

The Sub-Fund may also invest in shares and similar instruments (e.g. following a process of restructuring or similar process) and/or hold company shares as a result of transactions involving securities or the conversion of convertible bonds.

The average interest rate duration of the Sub-Fund's portfolio shall be between 0 and 4 years. An individual bond in the Sub-Fund's portfolio may however have a higher duration.

The Sub-Fund may use financial derivative instruments (FDI's), such as forward rate agreements, futures, options, swaps, CDS (Credit Default Swaps) and other derivatives for both hedging and investment purposes.

FDIs may also be used for investment purposes when the targeted exposure of the Sub-Fund is difficult to achieve through the use of debt securities or if FDIs is considered a better investment due other factors, such as, but not limited to liquidity and price.

The purpose of investing in derivatives will not be to achieve leverage, however transactions in FDIs may leverage the Sub-Fund due to the leverage inherent in such instruments. This may result in a higher level of volatility than would be the case if the Sub-Fund did not invest in FDIs. In some circumstances, transactions in FDIs may result in a lower level of volatility than would be the case if the Sub-Fund did not invest in FDIs.

The Sub-Fund's total exposure from investments in FDIs shall not exceed the Sub-Fund's Net Asset Value.

The Sub-Fund may also invest in other Sub-Funds of the Fund as well as other UCITS or UCIs with a similar investment policy as the Sub-Fund.

The Sub-Fund may not invest more than 10 % of its assets in UCITS or other UCIs.

All of the above investments will be made in accordance with the investment restrictions contained in the main part of this Prospectus.

Pareto Asset Management works systematically on ethical considerations in the management of the Sub-Fund. Pareto Asset Management shall not invest in companies which constitute an unacceptable risk of the Sub-Fund contributing to unethical acts or omissions. Such contributions could reduce sustainability and long-term value creation.

Currency hedging

The Sub-Fund will use derivatives to hedge currency exposure to financial instruments denominated in other currencies than the Norwegian Kroner (NOK).

For Classes of Shares denominated in other currencies than the reference currency of the Sub-Fund, the individual Class of Shares will be hedged towards exposure to the Norwegian Kroner (NOK).

Benchmark

The Sub-Fund's benchmark is the Oslo Stock Exchange Government Bond Index, 0.25 year (ST1X), an index of Norwegian government bonds with a fixed duration of 3 months.

The Sub-Fund will have a higher volatility compared to the benchmark.

Risk Factors

All investment in the Sub-Fund carries risk, and should be regarded as long term in nature and is only suitable for investors who understand the risks involved and who are able to withstand the loss of their invested capital.

Investing in the Sub-Fund involves certain considerations in addition to the risks normally associated with making investments in securities. There can be no assurance that the Sub-Fund will achieve its investment objective. The value of Shares in the Sub-Fund may go down as well as up and there can be no assurance that on a redemption, or otherwise, investors will receive the amount originally invested.

Typical risks associated with investment in a portfolio of high yield bonds are as follows:

- Default risk (or credit risk) of a bond refers to the risk that a bond issuer will default on any type of debt by failing to make payments which it is obligated to do. The risk is primarily that of the bondholder and includes lost principal and interest, disruption to cash flows, and increased collection costs. The loss may be complete or partial and can arise in a number of circumstances.
- Changes in interest rates and/or credit spreads may affect bond prices. These risks do not affect all bonds equally. Longer maturity bonds will experience a greater change in price than shorter maturity bonds for a given change in rate and/or credit spreads.
- Liquidity risk may arise when one or more securities are difficult to dispose of, either during certain market conditions or company specific circumstances.
- The net asset value of the Sub-Fund will be computed in NOK whereas the Sub-Fund's investments may be acquired in other currencies. Currency fluctuations may impact the value of the Sub-Fund's investments. The portfolio manager will seek to minimize currency risk by using derivatives.

Risk Management Process

In compliance with the CSSF Regulation 10-4, the ESMA Guidelines on risk measurement and the calculation of global exposure and counterparty risk for UCITS (ref.: ESMA/10-788) and the ESMA Guidelines on risk management principles for UCITS (ref.: ESMA/09-178), the Management Company employs a risk management process, which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio, the Management

Company will use the commitment approach to measure, at least once a day, the global exposure of the Sub-Fund.

Profile of the typical investor

The Sub-Fund may be appropriate for investors who:

- want and are able to assume credit and interest rate risks,
- have an investment horizon of 2 to 3 years,
- seek capital appreciation over the long term,

Share Class	Reference Currency	Minimum initial investment and holding	Investment Management fee	Subscription Charge	Redemption Charge	Conversion Charge
A Shares	NOK	N/A	1.0 % per annum	up to 0.5 %	up to 0.5 %	0 %
B Shares	NOK	NOK 50 million	0.55 % per annum	up to 0.5 %	up to 0.5 %	0 %
C Shares	SEK	N/A	1.0 % per annum	up to 0.5 %	up to 0.5 %	0 %
D Shares	SEK	SEK 50 mill	0.55 % per annum	up to 0.5 %	up to 0.5 %	0 %
H EUR Shares	EUR	EUR 5 million	0.55 % per annum	up to 0.5 %	up to 0.5 %	0 %
H DKK Shares	DKK	DKK 50 million	0.55 % per annum	up to 0.5 %	up to 0.5 %	0 %
H USD Shares	USD	USD 5 million	0.55 % per annum	up to 0.5 %	up to 0.5 %	0 %
H GBP Shares	GBP	GBP 5 million	0.55 % per annum	up to 0.5 %	up to 0.5 %	0 %
H CHF Shares	CHF	CHF 5 million	0.55 % per annum	up to 0.5 %	up to 0.5 %	0 %
I NOK Shares	NOK	NOK 400 mill	0.40 % per annum	up to 0.5 %	up to 0.5 %	0 %
I SEK Shares	SEK	SEK 400 million	0.40 % per annum	up to 0.5 %	up to 0.5 %	0 %
I EUR Shares	EUR	EUR 50 million	0.40 % per annum	up to 0.5 %	up to 0.5 %	0 %
I DKK Shares	DKK	DKK 400 million	0.40 % per annum	up to 0.5 %	up to 0.5 %	0 %
I USD Shares	USD	USD 50 million	0.40 % per annum	up to 0.5 %	up to 0.5 %	0 %
I GBP Shares	GBP	GBP 40 million	0.40 % per annum	up to 0.5 %	up to 0.5 %	0 %
I CHF Shares	CHF	CHF 50 million	0.40 % per annum	up to 0.5 %	up to 0.5 %	0 %

- do not seek current income from their investment,
- are willing to take on the increased risk associated with the investment.

Reference Currency

The reference currency of the Sub-Fund is the NOK.

Classes of Shares and Investment Management Fees

The existing A and B Classes of Shares will continue as A and C Classes of Shares.

The other Classes of Shares will be launched upon decision of the board of directors of the Fund. An up to date list of all Classes of Shares on offer will be available at the registered office of the Fund.

The above investment management fees will be accrued daily and are payable quarterly.

- The A and C Classes of Shares are available to all investors which are qualified to invest in the Fund in accordance with the Prospectus.
- The B, D and H Classes of Shares are available to individual clients investing the minimum subscription amount. The B, D and H Classes of Shares are also available to Investors subscribing for shares through a distributor or pension scheme, who under their agreements with the Global Distributor, do not receive any payment from the Global Distributor. For the latter the minimum investment does not apply.

The B, D and H Classes of Shares are also available to Pareto entities and to Pareto Asset Management AS employees, shareholders and board members, without limitation to minimum investment and holding.

- The I Classes of Shares are available to Institutional Investors as defined under article 174 of the 2010 Law and which are qualified to invest in the Fund in accordance with the Prospectus.

Valuation Day

The Net Asset Value of each Class of Shares shall normally be calculated on each Business Day (except for 24 December in each year) which then also qualifies as a "Valuation Day".

The Net Asset Value of each Class of Shares will be made available on each Valuation Day in the reference currency of each Class of Shares by the Administrator at the registered office of the Fund.

The Net Asset Value of each Class of Shares may be reported in such other currencies as decided by the Directors.

Business Day

A Business Day is a day on which banks are normally open for business in Luxembourg and in Norway, except for 24 December in each year.

Starting from 6 January 2017, the definition of Business Day will be changed to a Business Day is a day on which banks are normally open for business in Luxembourg, Norway and Sweden, except for 24 December in each year.

In addition, days when local markets on which the Sub-Fund holds a substantial portion of its investment are closed, are not Business Days.

Subscriptions

Shares are available for subscription on each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent by no later than 9.00 a.m. (Luxembourg time). Applications so received will be dealt with on the basis of the Net Asset Value per Share of that Valuation Day calculated on the next following Business Day with the last available closing prices of such Valuation Day. Subscription proceeds must be received by the Custodian on an account of the Fund within three Business Days after the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after 9.00 a.m. (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

Redemptions

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 9.00 a.m. (Luxembourg time). Requests so received will be dealt with on the basis of the Net Asset Value per Share of that Valuation Day calculated on the next following Business Day with the last available closing prices of such Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after 9.00 a.m. (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

Payment of redemption proceeds will normally be made within three (3) Business Days after the relevant Valuation Day.

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.

Dividend Policy

The Sub-Fund shall not distribute any dividend and all net investment income and all net realised and unrealised capital gains will be accumulated and will increase the Net Asset Value of the Shares of the Sub-Fund.

Depositary and Administration Fees

Depositary Fee

The Depositary will receive a depositary fee determined as an annual percentage calculated per market on a monthly basis based on the Sub-Fund's assets and paid monthly in arrears. The Depositary will further receive a supervisory fee of 0.03% p.a. based on the Sub-Fund's assets. The Depositary shall also be entitled to reimbursement of all reasonable out-of-pocket expenses relating to the custody services rendered.

The Depositary Fee does not cover operational costs such as costs of buying and selling securities, transaction fees and correspondent bank charges.

Administrator, Registrar and Transfer and Domiciliary Agent Fee

A maximum fee of 0.04% per annum calculated on the Net Asset Value of the Sub-Fund(s) on each Valuation Day for the provision of its services and with a fixed fee of EUR 35,000.- per annum (EUR 25,000.- for administration and EUR 10,000.- for transfer agency) plus a maximum of EUR 3.700.- per Share-Class shall be paid to the Management Company, out of the net assets of the Sub-Fund, for the services of Administrator, Registrar and Transfer and Domiciliary Agent.

This administration fee is calculated on the basis of the total net assets of the Sub-Fund and is payable monthly. The Administrator, Registrar and Transfer and Domiciliary Agent shall also be entitled to reimbursement of all reasonable out-of-pocket expenses relating to the services thereto.

Other Charges and Expenses

The other charges and expenses borne by the Sub-Fund are mentioned in section "Fees and Expenses" in the main part of this Prospectus.

Term of the Sub-Fund

The Sub-Fund has been established for an indefinite period of time.

ANNEX 2: PARETO SICAV – PARETO GLOBAL CORPORATE BOND

Investment Objective and Policy

The Sub-Fund's objective is to achieve the best possible return, relative to its risk profile.

The Sub-Fund will invest in fixed income and fixed income related securities ("debt securities") issued by corporations, agencies, governments and municipalities. The debt securities may include subordinated and convertible bonds.

The Sub-Fund has a global investment universe, but will invest predominantly in developed markets.

The Sub-Fund shall invest at least two thirds (2/3) of its total net assets (after deduction of cash) in debt securities with a higher expected return than traditional debt securities due to a higher credit risk.

The Sub-Fund may also invest in shares and similar instruments (e.g. following a process of restructuring or similar process) and/or hold company shares as a result of transactions involving securities or the conversion of convertible bonds.

The average interest rate duration of the Sub-Fund's portfolio shall be between 0 and 7 years. An individual bond in the Sub-Fund's portfolio may however have a higher duration.

The Sub-Fund may use financial derivative instruments (FDI's), such as forward rate agreements, futures, options, swaps, CDS (Credit Default Swaps) and other derivatives for both hedging and investment purposes.

FDIs may also be used for investment purposes when the targeted exposure of the Sub-Fund is difficult to achieve through the use of debt securities or if FDIs is considered a better investment due other factors, such as, but not limited to liquidity and price.

The purpose of investing in derivatives will not be to achieve leverage, however transactions in FDIs may leverage the Sub-Fund due to the leverage inherent in such instruments. This may result in a higher level of volatility than would be the case if the Sub-Fund did not invest in FDIs. In some circumstances, transactions in FDIs may result in a lower level of volatility than would be the case if the Sub-Fund did not invest in FDIs.

The Sub-Fund's total exposure from investments in FDIs shall not exceed the Sub-Fund's Net Asset Value.

The Sub-Fund may also invest in other Sub-Funds of the Fund as well as other UCITS or UCIs with a similar investment policy as the Sub-Fund.

The Sub-Fund may not invest more than 10 % of its asset in UCITS or other UCIs.

All of the above investments will be made in accordance with the investment restrictions contained in the main part of this Prospectus.

Pareto Asset Management works systematically on ethical considerations in the management of the Sub-Fund. Pareto Asset Management shall not invest in companies which constitute an unacceptable

risk of the Sub-Fund contributing to unethical acts or omissions. Such contributions could reduce sustainability and long-term value creation.

Currency hedging

The Sub-Fund will use derivatives to hedge currency exposure to financial instruments denominated in other currencies than the Swedish Krona (SEK).

For Classes of Shares denominated in other currencies than the reference currency of the Sub-Fund, the individual Class of Shares will be hedged towards exposure to the Swedish Krona (SEK).

Benchmark

While the Sub-Fund compares its performance against the BofA Merrill Lynch Global High Yield Index (75%) and BofA Merrill Lynch Global Corporate Index (25%), it will not try to replicate this index and will freely select the securities that it will invest in.

Risk Factors

All investment in the Sub-Fund carries risk, and should be regarded as long term in nature and is only suitable for investors who understand the risks involved and who are able to withstand the loss of their invested capital.

Investing in the Sub-Fund involves certain considerations in addition to the risks normally associated with making investments in securities. There can be no assurance that the Sub-Fund will achieve its investment objective. The value of Shares in the Sub-Fund may go down as well as up and there can be no assurance that on a redemption, or otherwise, investors will receive the amount originally invested.

Typical risks associated with investment in a portfolio of high yield bonds are as follows:

- Default risk (or credit risk) of a bond refers to the risk that a bond issuer will default on any type of debt by failing to make payments which it is obligated to do. The risk is primarily that of the bondholder and includes lost principal and interest, disruption to cash flows, and increased collection costs. The loss may be complete or partial and can arise in a number of circumstances.
- Changes in interest rates and/or credit spreads may affect bond prices. These risks do not affect all bonds equally. Longer maturity bonds will experience a greater change in price than shorter maturity bonds for a given change in rate and/or credit spreads.
- Liquidity risk may arise when one or more securities are difficult to dispose of, either during certain market conditions or company specific circumstances.
- The net asset value of the Sub-Fund will be computed in SEK whereas the Sub-Fund's investments may be acquired in other currencies. Currency fluctuations may impact the value of the Sub-Fund's investments. The portfolio manager will seek to minimize currency risk by using derivatives.

Risk Management Process

In compliance with the CSSF Regulation 10-4, the ESMA Guidelines on risk measurement and the calculation of global exposure and counterparty risk for UCITS (ref.: ESMA/10-788) and the ESMA Guidelines on risk management principles for UCITS (ref.: ESMA/09-178), the Management Company employs a risk management process, which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio, the Management

Company will use the commitment approach to measure, at least once a day, the global exposure of the Sub-Fund.

Profile of the typical investor

The Sub-Fund may be appropriate for investors who:

- want and are able to assume credit and interest rate risks,
- have an investment horizon of 2 to 3 years,
- seek capital appreciation over the long term,
- do not seek current income from their investment,
- are willing to take on the increased risk associated with the investment.

Reference Currency

The reference currency of the Sub-Fund is the SEK.

Classes of Shares and Investment Management Fees

The A and B Shares have been launched in March 2015 with a price of SEK 100 per Share.

The other Classes of Shares will be launched upon decision of the board of directors of the Fund. An up to date list of all Classes of Shares on offer will be available at the registered office of the Fund.

Share Class	Reference Currency	Minimum initial investment and holding	Investment Management fee	Subscription Charge	Redemption Charge	Conversion Charge
A Shares	SEK	N/A	1.0 % per annum	up to 0.5 %	up to 0.5 %	0 %
A EUR Shares	EUR	N/A	1.0 % per annum	up to 0.5 %	up to 0.5 %	0 %
A USD Shares	USD	N/A	1.0 % per annum	up to 0.5 %	up to 0.5 %	0 %
B Shares	SEK	SEK 50 million	0.55 % per annum	up to 0.5 %	up to 0.5 %	0 %
C Shares	NOK	N/A	1.0 % per annum	up to 0.5 %	up to 0.5 %	0 %
D Shares	NOK	NOK 50 mill	0.55 % per annum	up to 0.5 %	up to 0.5 %	0 %
H EUR Shares	EUR	EUR 5 million	0.55 % per annum	up to 0.5 %	up to 0.5 %	0 %
H DKK Shares	DKK	DKK 50 million	0.55 % per annum	up to 0.5 %	up to 0.5 %	0 %
H USD Shares	USD	USD 5 million	0.55 % per annum	up to 0.5 %	up to 0.5 %	0 %
H GBP Shares	GBP	GBP 5 million	0.55 % per annum	up to 0.5 %	up to 0.5 %	0 %
H CHF Shares	CHF	CHF 5 million	0.55 % per annum	up to 0.5 %	up to 0.5 %	0 %

I NOK Shares	NOK	NOK 400 mill	0.40 % per annum	up to 0.5 %	up to 0.5 %	0 %
I SEK Shares	SEK	SEK 400 million	0.40 % per annum	up to 0.5 %	up to 0.5 %	0 %
I EUR Shares	EUR	EUR 50 million	0.40 % per annum	up to 0.5 %	up to 0.5 %	0 %
I DKK Shares	DKK	DKK 400 million	0.40 % per annum	up to 0.5 %	up to 0.5 %	0 %
I USD Shares	USD	USD 50 million	0.40 % per annum	up to 0.5 %	up to 0.5 %	0 %
I GBP Shares	GBP	GBP 40 million	0.40 % per annum	up to 0.5 %	up to 0.5 %	0 %
I CHF Shares	CHF	CHF 50 million	0.40 % per annum	up to 0.5 %	up to 0.5 %	0 %

The above investment management fees will be accrued daily and are payable quarterly.

- The A and C Classes of Shares are available to all investors which are qualified to invest in the Fund in accordance with the Prospectus.
- The B, D and H Classes of Shares are available to individual clients investing the minimum subscription amount. The B, D and H Classes of Shares are also available to Investors subscribing for shares through a distributor or pension scheme, who under their agreements with the Global Distributor, do not receive any payment from the Global Distributor. For the latter the minimum investment does not apply.

The B, D and H Classes of Shares are also available to Pareto entities and to Pareto Asset Management AS employees, shareholders and board members, without limitation to minimum investment and holding.

- The I Classes of Shares are available to Institutional Investors as defined under article 174 of the 2010 Law and which are qualified to invest in the Fund in accordance with the Prospectus.

Valuation Day

The Net Asset Value of each Class of Shares shall normally be calculated on each Business Day (except for 24 December in each year) which then also qualifies as a “Valuation Day”.

The Net Asset Value of each Class of Shares will be made available on each Valuation Day in the reference currency of each Class of Shares by the Administrator at the registered office of the Fund.

The Net Asset Value of each Class of Shares may be reported in such other currencies as decided by the Directors.

Business Day

A Business Day is a day on which banks are normally open for business in Luxembourg, Norway and Sweden except for 24 December in each year. In addition, days when local markets on which the Sub-Fund holds a substantial portion of its investment are closed, are not Business Days.

Subscriptions

Shares are available for subscription on each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent by no later than 9.00 a.m. (Luxembourg time). Applications so received will be dealt with on the basis of the Net Asset Value per Share of that Valuation Day calculated on the next following Business Day with the last available closing prices of such Valuation Day. Subscription proceeds must be received by the Depositary on an account of the Fund within three Business Days after the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after 9.00 a.m. (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

Redemptions

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 9.00 a.m. (Luxembourg time). Requests so received will be dealt with on the basis of the Net Asset Value per Share of that Valuation Day calculated on the next following Business Day with the last available closing prices of such Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after 9.00 a.m. (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

Payment of redemption proceeds will normally be made within three (3) Business Days after the relevant Valuation Day.

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.

Dividend Policy

The Sub-Fund shall not distribute any dividend and all net investment income and all net realised and unrealised capital gains will be accumulated and will increase the Net Asset Value of the Shares of the Sub-Fund.

Depositary and Administration Fees

Depositary Fee

The Depositary will receive a depositary fee determined as an annual percentage calculated per market on a monthly basis based on the Sub-Fund's assets and paid monthly in arrears. The Depositary will further receive a supervisory fee of 0.03% p.a. based on the Sub-Fund's assets. The Depositary shall also be entitled to reimbursement of all reasonable out-of-pocket expenses relating to the custody services rendered.

The Depositary Fee does not cover operational costs such as costs of buying and selling securities, transaction fees and correspondent bank charges.

Administrator, Registrar and Transfer and Domiciliary Agent Fee

A maximum fee of 0.04% per annum calculated on the Net Asset Value of the Sub-Fund(s) on each Valuation Day for the provision of its services and with a fixed fee of EUR 35,000.- per annum (EUR 25,000.- for administration and EUR 10,000.- for transfer agency) plus a maximum of EUR 3.700.- per Share-Class shall be paid, out of the net assets of the Sub-Fund, to the Management Company, for the service of Administrator, Registrar and Transfer and Domiciliary Agent.

This administration fee is calculated on the basis of the total net assets of the Sub-Fund and is payable monthly. The Administrator, Registrar and Transfer and Domiciliary Agent shall also be entitled to reimbursement of all reasonable out-of-pocket expenses relating to the services thereto.

Other Charges and Expenses

The other charges and expenses borne by the Sub-Fund are mentioned in section "Fees and Expenses" in the main part of this Prospectus.

Term of the Sub-Fund

The Sub-Fund has been established for an indefinite period of time.

Other information

The Sub-Fund will be managed by Pareto Asset Management AS, Sweden Branch.

ANNEX 3: PARETO SICAV – PARETO NORDIC ALPHA

Investment Objective and Policy

The objective of the Sub-Fund is to achieve capital appreciation over the medium term.

The Sub-Fund offers investors the opportunity to participate in an investment product focusing on deriving its return primarily from listed equity securities and equity related securities in the Nordic region (Sweden, Finland, Denmark and Norway). The Sub-Fund may also invest in fixed income instruments which have an investment grade rating and derivatives both for hedging and investment purposes. Although the primary geographic focus will be the Nordic region, the Sub-Fund may also invest in Western Europe and the US. Any such direct investments listed outside of the Nordic region would be expected to range between 5% to 15% of the NAV of the Sub-Fund. The assets will be predominantly (but not exclusively) invested in the following industrial sectors : Oil and Marine (Oil, Oil Services, Shipping), Pulp & Paper, Telecom (Equipment and Operators) and Information Technology., Banking, Insurance and other Financial Services and Consumer Products (Leisure, Media, Retail, Food & Beverage, Consumer Goods)

Depending on the market conditions and in accordance with the investment objective and policy set in the prospectus, the Investment Manager might amend the industrial sector allocation when deemed appropriate.

The Sub-Fund will use an investment strategy relying on short and/or long positions and/or a combination of equity and fixed income markets. The strategy for allocating the Sub-Fund's investments will be based on the Investment Manager's assessment of the markets for asset classes in respect of which the Sub-Fund seeks to obtain exposure. The Sub-Fund will seek to achieve its objective regardless the market conditions.

The global exposure of the Sub Fund will be monitored by using the absolute Value at Risk methodology. The monthly VaR will not exceed 20% of the NAV.

The Sub-Fund's expected level of leverage will be determined using the sum of notionals approach which relies on the Financial Derivative Instruments held by the Sub-Fund. In respect of financial derivative instruments which do not have a notional value, the calculation will be based on the market value of the equivalent position in the underlying assets. Based on this methodology, leverage shall not exceed 200 % of the NAV of the Sub Fund.

Investment strategy

The Sub-Fund will utilise a Long/Short investment strategy involving long or short positions or a combination of both. The Investment Manager will seek to obtain exposure which it believes will appreciate (long) and sell exposure it believes will depreciate (short). Short exposure will only be achieved synthetically through the use of Financial Derivative Instruments. In this way the Investment Manager believes that it should be able to generate a positive return for the Shareholders regardless of which direction the general equity market is going.

In assessing the optimal way to seek to obtain the investment objective, the Investment Manager will rely on the following elements: degree of inefficient pricing, partly a result of liquidity and research intensity, degree of the Investment Manager's knowledge of industry sectors as well as geographical and cultural aspects, in particular the Investment Manager's expertise in the Nordic region.

Use of equities , equity –related and fixed income instruments

In endeavouring to achieve its investment objective, the Sub-Fund will seek to obtain direct and indirect exposure to equity and equity related securities such as preferred stocks, warrants and convertible bonds, which may have equity linked notes, of large and medium capitalised issuers.

The Sub-Fund may seek direct and indirect exposure to fixed income, debt and debt related securities, in particular when the Investment Manager considers that the markets for these securities look favourable compared to equity securities. The Sub-Fund may, directly or indirectly, invest in fixed income and debt and debt related securities which may be issued by corporate and/or sovereign issuers (such as government securities, bonds, municipal, state, local authority and supranational issues, commercial paper, debentures and certificates of deposit) which may offer fixed or floating interest rates, and which will be rated investment grade by a rating agency (or which if not rated are considered to be equivalent in the opinion of the Investment Manager).

Use of Financial Derivative Instruments (FDIs)

Exchange traded and Over the Counter Financial Derivative instruments may be used both for investment and hedging purposes. FDIs may include futures, forwards, options, swaps, contracts for difference (CFDs), Credit Default Swaps (CDS), convertible bonds, warrants as well as other FDIs the Investment Manager considers appropriate for the Sub-Fund.

The Sub-Fund may use Efficient Portfolio Management techniques.

The Sub-Fund may borrow up to 10% of its net assets on a temporary basis.

The Sub-Fund may also invest in other Sub-Funds of the Fund as well as other UCITS or UCIs.

The Sub-Fund may not invest more than 10 % of its asset in UCITS or other UCIs.

The Sub-Fund may also hold and invest in ancillary liquid assets, such as bank deposits and money market instruments and securities, including but not limited to short-term fixed income instruments, certificates of deposit, promissory notes, commercial paper, floating rate notes, medium term notes, bankers acceptances and any other short term instrument which the Investment Manager believes to be of appropriate credit quality as further outlined below. The Investment Manager may, depending on its tactical viewpoint and perception of investment opportunities for the Sub-Fund, increase or decrease the level of investment by the Sub-Fund in ancillary liquid assets. There is no maximum or minimum amount of liquidity that the Sub-Fund may hold at any one time but it is expected that such investments may generally comprise 10% to 30% of the NAV of the Sub-Fund.

All of the above investments will be made in accordance with the investment restrictions contained in the main part of this Prospectus.

Pareto Asset Management works systematically on ethical considerations in the management of the Sub-Fund. Pareto Asset Management shall not invest in companies which constitute an unacceptable risk of the Sub-Fund contributing to unethical acts or omissions. Such contributions could reduce sustainability and long-term value creation.

In addition, the profile or result in higher volatility.

Risk Factors

All investment in the Sub-Fund carries risk, and should be regarded as long term in nature and is only suitable for investors who understand the risks involved and who are able to withstand the loss of their invested capital.

Investing in the Sub-Fund involves certain considerations in addition to the risks normally associated with making investments in securities. There can be no assurance that the Sub-Fund will achieve its investment objective. The value of Shares in the Sub-Fund may go down as well as up and there can be no assurance that on a redemption, or otherwise, investors will receive the amount originally invested.

Profile of the typical investor

The Sub-Fund may be appropriate for investors who:

- have an investment horizon of at least 5 years,
- seek capital appreciation over the long term,
- do not seek current income from their investment,
- are willing to take on the increased risk associated with the investment.

Reference Currency

The reference currency of the Sub-Fund is the NOK.

Classes of Shares and Investment Management Fees

The Classes of Shares will be launched upon decision of the board of directors of the Fund. An up to date list of all Classes of Shares on offer will be available at the registered office of the Fund.

Share Class	Reference Currency	Minimum initial investment and holding	Investment Management fee	Performance fee	Subscription Charge	Redemption Charge	Conversion Charge
A NOK Shares	NOK	N/A	1.5 % per annum	20% above 2% cumulative hurdle with high watermark	up to 3.0 %	up to 0.2%	0 %
A SEK Shares	SEK	N/A	1.5 % per annum	20% above 2% cumulative hurdle with high watermark	up to 3.0 %	up to 0.2%	0 %
M NOK Shares	NOK	N/A	0 %	0 %	0 %	up to 0.2%	0 %

B NOK Shares	NOK	10 million NOK	0.95 % per annum	20% above 2% cumulative hurdle with high watermark	up to 3.0 %	up to 0.2%	0 %
B SEK Shares	SEK	10 million SEK	0.95 % per annum	20% above 2% cumulative hurdle with high watermark	up to 3.0 %	up to 0.2%	0 %
I NOK Shares	NOK	100 million NOK	0.5 % per annum	20% above 2% cumulative hurdle with high watermark	up to 3.0 %	up to 0.2%	0 %
I SEK Shares	SEK	100 million SEK	0.5 % per annum	20% above 2% cumulative hurdle with high watermark	up to 3.0 %	up to 0.2%	0 %

The above investment management fees will be accrued daily and are payable quarterly.

- The A and B Classes of Shares are available to all investors which are qualified to invest in the Sub-Fund in accordance with the Prospectus.

The B Class of Shares is also available to Investors subscribing for shares through a distributor or pension scheme, who under their agreements with the Global Distributor, do not receive any payment from the Global Distributor. For the latter the minimum investment does not apply.

- The I Classes of Shares are available to Institutional Investors as defined under article 174 of the 2010 Law and which are qualified to invest in the Sub-Fund in accordance with the Prospectus.
- The M Class of shares may only be issued at the discretion of the Directors, and is only available to employees of the Investment Manager.

Performance fee

Amount

With the exception of the Class M Share Class, the Investment Manager will be entitled to receive out of the assets of the Sub-Fund a performance fee in respect of each Share Class (the **Performance Fee**), as outlined below.

The Performance Fee will be calculated and accrued at each Valuation Point in respect of each Valuation Day (each Valuation Day being a **Calculation Period**) and shall be payable monthly in arrears.

For each Calculation Period, the Performance Fee for the A, B and I classes of shares will be equal to 20% of the amount by which the NAV per Share on each Valuation Day exceeds the High Water Mark after the application of the Hurdle Rate.

High Water Mark means the greater of the original issue price of Shares in the relevant Share Class and the highest NAV per Share achieved as at the end of any previous Calculation Period (if any).

Hurdle Rate means an annual rate of 2% of the year end High Water Mark of the relevant Share Class for the year immediately preceding the Calculation Period pro-rated for each Valuation Day in the applicable Calculation Period.

The previous year end High Water Mark of the relevant Share Class must increase by 2% on a pro-rated daily basis before the Performance Fee may become payable and accordingly, the Performance Fee is only calculated when the High Water Mark after application of the Hurdle Rate has been reached. The Hurdle Rate is separately determined for each year and pro-rated daily until the end of the current calendar year. The Hurdle Rate is cumulative from year to year. As at each Valuation Point, the Performance Fee will be calculated by reference to the NAV per Share attributable to the Share Class before making any deduction for Performance Fees.

Valuation Day

The Net Asset Value of each Class of Shares shall normally be calculated on each Business Day (except for 24 December each year) which then also qualifies as a “Valuation Day”.

The Net Asset Value of each Class of Shares will be made available on each Valuation Day in the reference currency of each Class of Shares by the Administrator at the registered office of the Fund.

The Net Asset Value of each Class of Shares may be reported in such other currencies as decided by the Directors.

Business Day

A Business Day is a day on which banks are normally open for business in Luxembourg, Norway and Sweden except for 24 December each year. In addition, days when local markets on which the Sub-Fund holds a substantial portion of its investments are closed, are not Business Days.

Subscriptions

Shares are available for subscription on each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent by no later than 9.00 a.m. (Luxembourg time). Applications so received will be dealt with on the basis of the Net Asset Value per Share of that Valuation Day calculated on the next following Business Day with the last available closing prices of such Valuation Day. Subscription proceeds must be received by the Depositary on an account of the Sub-Fund within three Business Days after the relevant Valuation Day.

Applications for Shares received by the Registrar and Transfer Agent after 9.00 a.m. (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

Redemptions

Shares are redeemable at the option of the Shareholders.

Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 9.00 a.m. (Luxembourg time). Requests so received will be dealt with on the basis of

the Net Asset Value per Share of that Valuation Day calculated on the next following Business Day with the last available closing prices of such Valuation Day.

Redemption requests received by the Registrar and Transfer Agent after 9.00 a.m. (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

Payment of redemption proceeds will normally be made within three (3) Business Days after the relevant Valuation Day.

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.

Dividend Policy

The Sub-Fund shall not distribute any dividend and all net investment income and all net realised and unrealised capital gains will be accumulated and will increase the Net Asset Value of the Shares of the Sub-Fund.

Depositary and Administration Fees

Depositary Fee

The Depositary will receive a depositary fee determined as an annual percentage calculated per market on a monthly basis based on the Sub-Fund's assets and paid monthly in arrears. The Depositary will further receive a supervisory fee of 0.03% p.a. based on the Sub-Fund's assets. The Depositary shall also be entitled to reimbursement of all reasonable out-of-pocket expenses relating to the custody services rendered.

The Depositary Fee does not cover operational costs such as costs of buying and selling securities, transaction fees and correspondent bank charges.

Administrator, Registrar and Transfer and Domiciliary Agent Fee

A maximum fee of 0.04 % per annum calculated on the Net Asset Value of the Sub-Fund(s) on each Valuation Day for the provision of its services and with a fixed fee of EUR 35,000.- per annum (EUR 25,000.- for administration and EUR 10,000.- for transfer agency) plus a maximum of EUR 3.700.- per Share-Class shall be paid to the Management Company, out of the net assets of the Sub-Fund, for the services of Administrator, Registrar and Transfer and Domiciliary Agent.

This administration fee is calculated on the basis of the total net assets of the Sub-Fund and is payable monthly. The Administrator, Registrar and Transfer and Domiciliary Agent shall also be entitled to reimbursement of all reasonable out-of-pocket expenses relating to the services thereto.

Other Charges and Expenses

The other charges and expenses borne by the Sub-Fund are mentioned in section "Fees and Expenses" in the main part of this Prospectus.

Term of the Sub-Fund

The Sub-Fund has been established for an indefinite period of time.