

**DNB ASSET MANAGEMENT S.A.**

5, Allée Scheffer  
L-2520 Luxembourg  
RCS B 34518

(the “**Management Company**”)

**Information to the unitholders of**

**DNB FUND SEK Long Bond**

and

**DNB Fund SEK Short Bond**

(jointly the “**Merging Sub-Funds**”)

The board of directors of the Management Company (the “**Board of Directors**”) would like to inform the unitholders of the Merging Sub-Funds that it has decided to merge the Merging Sub-Funds as follows:

- (i) DNB Fund SEK Long Bond will be merged with DNB Obligationsfond SEK;
- (ii) DNB Fund SEK Short Bond will be merged with DNB Penningmarknadsfond SEK;

(the “**Merger**”)

DNB Obligationsfond SEK and DNB Penningmarknadsfond SEK are jointly referred to herein as the “**Receiving Funds**”. The Merger is accomplished by transferring all assets and liabilities of the Merging Sub-Funds to the Receiving Funds which will be launched upon the Merger.

The Merging Sub-Funds are sub-funds of DNB Fund (the “**Fund**”), an undertaking for collective investments in transferrable securities subject to Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investments implementing Directive 2009/65/EC in Luxembourg law (the “**Law of 2010**”).

The Receiving Funds are undertakings for collective investments in transferrable securities subject to the Swedish Investments Funds Act implementing Directive 2009/65/EC in Swedish law. The management company of the Receiving Funds is DNB Asset Management AS.

**1. Background and Motivation for the Merger**

Holders of units in UCITS funds registered in Luxembourg were previously subject to a more favourable tax treatment compared to holders of units in UCITS funds registered in Sweden.

On January 1<sup>st</sup> 2012, Sweden has introduced a new taxation applicable to holders of units in UCITS funds which put an end to the aforesaid difference in taxation. As a result, nowadays there is a minor tax disadvantage for Swedish unitholders to invest in units in UCITS funds registered in Luxembourg compared to invest in units in UCITS funds registered in Sweden.

This is due to the fact that UCITS funds registered in Luxembourg are subject to taxation pursuant to the Law of 2010, whereas Swedish UCITS are not subject to a comparable tax burden.

The Board of Directors believes that due to the above mentioned reasons, the Merger is in the interest of the unitholders concerned.

However, the unitholders of the Merging Sub-Funds are informed that the tax authorities in their respective state of residence might view the Merger as redemption of units which could possibly trigger a tax duty and are therefore advised to contact their tax advisor.

**The Merger may create tax consequences for the unitholders concerned. Therefore, unitholders are advised to consult their professional advisers about the consequences of the Merger on their individual tax position.**

## **2. Effective Date**

The effective date of the Merger will be August 31<sup>st</sup> 2016 (the “**Effective Date**”).

## **3. Material Differences between the Merging Sub- and the Receiving Funds**

The investment policies, the investment strategies the Synthetic Risk and Reward Indicators and the periodic reporting of the Merging Sub-Funds and of the Receiving Funds are identical.

Contrary to the fee set-up of the Merging Sub-Funds, the management fee paid out of the assets of the Receiving Funds indicated in the table in section 5 below includes not only the fees of the management company of the Receiving Funds, but also the fees for the depositary of the Receiving Funds, an annual fee to the Swedish Financial Supervisory Authority and the fees charged by the auditors of the Receiving Funds.

The Merger will result in a change of the fees to be paid by unitholders of the Merging Sub-Funds as follows:

- Merger of sub-fund DNB Fund SEK Long Bond with DNB Obligationsfond SEK: from 0,78% (ongoing charges indicated in the Key Investor Information Document of DNB Fund SEK Long Bond for the financial year 2015) to estimated ongoing charges of 0,72% for the first financial year after the Merger with a maximum management fee of 0,80% p.a. (please see table in section 5 below).
- Merger of sub-fund DNB Fund SEK Short Bond with DNB Penningmarknadsfond SEK: from 0,38% (ongoing charges indicated in the Key Investor Information Document of DNB Fund SEK Short Bond for the financial year 2015) to estimated ongoing charges of 0,36% for the first financial year after the Merger with a maximum management fee of 0,45% p.a. (please see table in section 5. Below).

## **4. Expected Impact of the Merger on the unitholders of the Merging Sub-Funds and the Receiving Funds**

The Board of Directors is of the opinion that the Merger will impact the unitholders of the Merging Sub-Funds as follows:

- The Merger will not have a material impact on the portfolio of the Receiving Funds due to the fact that the Receiving Funds will be launched at the day of the Merger. The Receiving Funds will pursue a comparable investment policy as the respective Merging Sub-Fund and will have a comparable exposure to the same bond markets.
- The Merger will be binding on all the unitholders of the Merging Sub-Funds who have not exercised their right to request the redemption or the conversion of their units into units of another sub-fund of DNB Fund, free of charge (i.e. without any charge other than those retained to meet disinvestment costs), within the timeframe set out in section 6 below. The Board of Directors does not believe that the Merger will have a negative impact on the unitholders of the Merging Sub-Funds.
- No rebalancing of the Receiving Funds’ portfolios will be undertaken before or after the Effective Date.
- The management fee paid out of the assets of the Receiving Fund indicated in the table in section 5 below, includes not only the fees of the management company of the Receiving Funds, but also the fees for all main service providers of the Receiving Funds.
- The transaction lead times for the unitholders when purchasing and selling units will be reduced upon completion of the Merger (compared to the lead times that applied when purchasing or selling units in the Merging Sub-Funds prior to completion of the Merger).

According to Article 74 of the Law of 2010 any legal, advisory or administrative costs associated with the preparation and the completion of the Merger shall neither be charged to the Merging Sub-Funds, the Receiving Funds nor to any of their unitholders. These costs will be borne by the Management Company.

## 5. Procedural aspects of the merger

Each unitholder in the Merging Sub-Funds will receive on the Effective Date, in exchange for each unit held by such unitholder in the Merging Sub-Funds, a proportionate number of units in the respective Receiving Fund as determined by a merger exchange ratio calculated by dividing the net asset value per unit of the respective unit class of the Merging Sub-Fund in question by the net asset value per unit of the corresponding unit class of the respective Receiving Fund.

<b>DNB Fund SEK Long Bond</b>	<b>DNB Obligationsfond SEK</b>
Institutional A Currency: SEK Management fee: 0,70% Accumulating class	Obligationsfond A Currency: SEK Management fee: Up to 0,80% Accumulating class
Retail A Currency: SEK Management fee: 0,70% Accumulating class	Obligationsfond A Currency: SEK Management fee: Up to 0,80% Accumulating class
Retail B Currency: SEK Management fee: 0,70% Distributing class	Obligationsfond B Currency: SEK Management fee: Up to 0,80% Distributing class

<b>DNB Fund SEK Short Bond</b>	<b>DNB Penningmarknadsfond SEK</b>
Retail A Currency: SEK Management fee: 0,35% Accumulating class	Penningmarknadsfond A Currency: SEK Management fee: Up to 0,45% Accumulating class
Retail B Currency: SEK Management fee: 0,35% Distributing class	Penningmarknadsfond B Currency: SEK Management fee: Up to 0,45% Distributing class

Ernst & Young Luxembourg S.A. will be appointed as approved statutory auditor and will be entrusted to validate the following:

- The criteria adopted for valuation of the assets and the liabilities on the date for calculating the merger exchange ratio; and
- The calculation method of the exchange ratio as well as the actual exchange ratio determined as at the date for calculation that ratio.

The Merger will be governed by the provisions of Chapter 8 of the Law of 2010. The assets and liabilities of the Merging Sub-Funds will be transferred to the Receiving Funds on the Effective Date. On such date, the Merging

Sub-Funds will cease to exist. The units of the Merging Sub-Funds will automatically be converted into units of the respective Receiving Fund as detailed in the table above. The unitholders of the Merging Sub-Funds who continue to hold their units in the Merging Sub-Funds at the end of the merger process will become unitholders of the respective Receiving Fund and will participate in the profits and losses of such Receiving Fund.

Where the application of the merger exchange ratio will not lead to the issuance of full units, the unitholders of the Merging Sub-Funds will receive fractions of units of the respective Receiving Fund of up to three decimals.

The net asset values of the Merging Sub-Funds will be calculated and published for the last time as per August 30<sup>th</sup> 2016.

## **6. Unitholders' Rights in relation to the Merger**

The unitholders of the Merging Sub-Funds have the right to request without any charge other than those retained to meet disinvestment costs, the redemption or conversion of their units of the Merging Sub-Funds.

This right shall become effective from the moment that the unitholders of the Merging Sub-Funds have been informed of the Merger and shall terminate five business days (in Luxembourg) prior to the calculation of the merger exchange ratio, i.e. any orders for redemption or conversion of units of the Merging Sub-Funds received after noon (Luxembourg time) on August 23<sup>rd</sup> 2016 by the Fund's central administration will not be executed. Any redemption or conversion order received before noon (Luxembourg time) on August 23<sup>rd</sup> 2016 by the Fund's central administration will be executed without additional charges (i.e. without any charge other than those retained to meet disinvestment costs). The same applies for orders for subscription of units of the Merging Sub-Funds.

The Merger will be binding on all the unitholders of the Merging Sub-Funds who have not exercised their right to request the redemption or conversion of their units of the Merging Sub-Funds.

Furthermore, the unitholders have the right to obtain free of charge a confirmation of the depositary bank of the Fund and of the Receiving Funds as specified in article 70 of the Law of 2010 and a copy of the report of the approved statutory auditor as specified in article 71 of the Law of 2010 from the Management Company. Further, the latest version of the prospectus of the Fund as well as the latest annual and semi-annual report of the Fund and a copy of the report of the approved statutory auditor may be obtained free of charge from the Management Company. Key investor information documents of the Receiving Funds are attached to this notice.

Luxembourg, 22 June 2016

On behalf of the Board of Directors

## **APPENDIX**

Key Investor Information Document of the unit classes of the Receiving Funds