

# EURO BOND FUND

Simplified Fund Prospectus – 30 September 2011

## KEY INFORMATION

### Fund Management Company:

Seligson & Co Fund Management Plc  
Erottajankatu 1–3, FI – 00130 Helsinki, Finland  
Phone: +358 9 68178200  
Fax: +358 9 68178222  
Web: [www.seligson.fi](http://www.seligson.fi)  
E-mail: [info@seligson.fi](mailto:info@seligson.fi)

### Portfolio Managers:

Mr. Jani Holmberg, [jani.holmberg@seligson.fi](mailto:jani.holmberg@seligson.fi)  
Mrs. Inari Nilsson, [inari.nilsson@seligson.fi](mailto:inari.nilsson@seligson.fi)

### Status & domicile:

Open-ended (daily traded), UCITS, Finland

**Size:** 48.1 million euro (30 September 2011)

**ISIN code:** FI0008801816

**Inception:** October 1998

**Latest update of fund rules:** 16 June 2010

### Unit type:

A-shares – accumulating, no yearly dividend  
B-shares – distributing

### NAV/Price release:

Daily – [www.seligson.fi/english](http://www.seligson.fi/english), OMX Helsinki,  
Bloomberg (SELEUBB FH), etc.

### Fees:

Management & Custody fee: 0.28% p.a.

This fee covers all the expenses of the Management Company and Custodian. It is calculated daily and deducted daily from the value of the Fund.

Subscription fee: none

Redemption fee: none

Anti-dilution fee (credited to the fund):

0.2% – for redemptions within 3 months of subscription

### Key ratios (30 September 2011):

TER: 0.28%

Portfolio Turnover: -16.10%

Duration: 5.83

Tracking error: 1.45%

Ratings: AAA 61.2%  
AA 35.3%  
BBB 2.2 %  
CCC 1.3%

**Minimum subscription:** 1 euro

### Bank account of the Fund:

NORDEA BANK, HELSINKI, WTC  
IBAN: FI62 1200 3000 0096 39  
BIC: NDEAFIHH



*The Power of Simplicity.*

## EURO BOND FUND

**Euro Bond Fund** is a bond index fund following the EFFAS Bond Indices Euro Govt All index.

The Fund is best suited for investors who want to achieve the average yield of the euro market bonds or invest in a broadly diversified fixed-income portfolio with minimum costs. The Fund may constitute a majority of the fixed-income portfolio.

The Fund is UCITS III compliant.

### INVESTMENT POLICY

The Fund invests in bonds issued by the euro zone governments. The Fund seeks to track the return of the EFFAS Bond Indices Euro Govt All Index. This index measures the development of the euro-denominated government bonds and contains 317 different bonds (1 October 2010). The Fund does not aim to acquire all the securities in the index but a representative sample of those securities. The objective is to keep the maturity and the interest rate risk of the Fund close to the corresponding values of the index.

The Fund's expenses are significantly lower than those of traditional bond funds, because the Fund's structure is only changed when there are changes in the Index. Hence the Fund's trading costs are minimized.

### SUBSCRIPTION OF FUND UNITS

Fund Units may be subscribed on every Finnish banking day. Units are subscribed by paying the desired amount in euro to the Fund's bank account and notifying Seligson & Co Fund Management by phone, fax, or e-mail (name, address, contact details).

First-time subscribers are required to fill out and sign a Customer Agreement and return it to Seligson & Co Fund Management.

The subscription date and price are those of the following Finnish banking day after the payment has arrived into the Fund's bank account, regardless of the date of payment or any advance notices or requests. Subscriptions are registered at the NAV of the relevant subscription date.

### REDEMPTION OF FUND UNITS

Fund Units may be redeemed on every Finnish banking day (except in circumstances detailed in the Fund's rules). Redemption requests can be made by phone, fax, or e-mail. The redemption date and price are those of the following Finnish banking day after the request has arrived to Seligson & Co Fund Management Company. Redemptions are registered at the NAV of the relevant redemption date and paid out in accordance with the Fund's Rules.

***Please remember that electronic media, especially e-mail, are not fully reliable – make sure you receive a confirmation!***

In connection with phone redemptions, the customer number and other identification details will be asked.

*The redemption proceeds will only be paid to the bank account stated in the signed Customer Agreement.* Possible changes of bank accounts must be made in writing signed by the authorized person(s).

### MONEY TRANSFERS

All money transfers shall be made in euro. The Fund does not accept subscriptions in other currencies. The Fund does not pay any costs related to money transfer or currency exchange for subscriptions or redemptions other than those arising from regular money transfers for the payments of redemption proceeds.

The manner and timeliness of bank transactions is never the responsibility of the Fund nor of the Fund Management Company.

### RISK

The Fund is subject to interest rate risk and credit risk. The value of the securities held by the Fund is also affected by the solvency and credit ratings of issuers and changes in these. The Fund's investments may also be subject to clearing risk, political risk, operating risk and force majeure risk. The Fund's historical volatility may also serve as an indication of the Fund's risk level (please see key ratios on page 1). Please contact the Fund Management Company for more detailed information about the risks associated with the Fund.

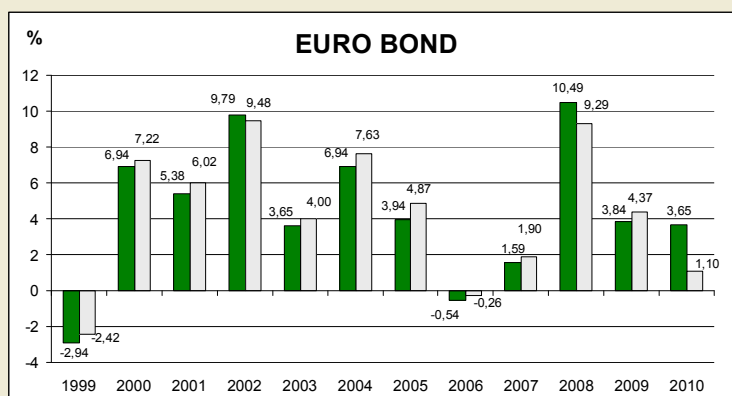
### HISTORICAL RETURN

Historical annual returns of the Fund and its benchmark.

Fund = green bar

EFFAS Bond Indices Euro Govt All Index = grey bar

**PLEASE NOTE** that historical returns are no guarantee of future returns and that the value of a fund investment may increase or decrease and an investor may lose a significant portion of the assets invested. We recommend careful examination of the Fund's rules before investing.



## ADMINISTRATION

### The Fund Management Company

The Fund is administered by Seligson & Co Rahastoyhtiö Oyj (in English: Seligson & Co Fund Management Plc). The company was founded in 1997, is domiciled in Helsinki, Finland, and operates as a licensed and supervised fund management company.

The Group's parent company is Seligson & Co Oyj, which is majority owned by its employees and management.

Seligson & Co has stated policies for its services, the main tenets being to act openly and responsibly, to bring true added value, and to treat all of its funds' investors equitably.

Seligson & Co Fund Management and its parent company manages and/or acts as representative to a broad selection of funds.

Seligson & Co Fund Management applies a maximum valuation error margin of +/- 0.1% of NAV before fund values are restated.

### Board of Directors of the Fund Management Company

The Board currently consists of three members of which one is always selected by fund unit holders.

**Auditors of the Fund and the Fund Management Company**  
KPMG Oy Ab (Helsinki, Finland), Mr Timo Nummi being responsible auditor and Mr Marcus Tötterman his deputy. The auditors elected by the unit holders' representative board are Mrs Paula Pasanen and Mrs Eija Kauppi-Hakkarainen (deputy).

More information and current names of persons in fiduciary positions can be requested from the company or may be found on the company's web site ([www.seligson.fi](http://www.seligson.fi)).

### Custodian

The Fund's custodian is Seligson & Co Oyj, domiciled in Helsinki, Finland. The Custodian is authorized to use sub-custodians. The Custodian's main businesses are proprietary asset management and custody operations.

### Supervising authority

Seligson & Co Fund Management and its mutual funds are supervised by the Finnish Financial Supervision (address: Snellmaninkatu 6, P.O. Box 159, FI – 00101 Helsinki, Finland; [www.fin-fsa.fi/en](http://www.fin-fsa.fi/en)).

## TAXATION

### The Fund

Under current law, mutual funds registered in Finland are tax exempt. They do not pay tax on capital gains from securities transactions or withholding tax on interest income. They do, where applicable, pay withholding tax for international dividend income. In most cases, the level of such withholding tax is governed by a bilateral agreement between Finland and country of domicile of the company paying the dividend.

### Unit holders

It is the responsibility of prospective investors to inform themselves as to the tax and other consequences to them of buying, holding, selling (or otherwise transferring) or redeeming units under the laws of country or countries in which they are or may be taxable.

## FUND UNITS

The Fund carries both growth (A) and income (B) units.

The Fund does not distribute annual yield to the growth units (A); their entire return will be realized when they are redeemed.

The Fund aims to distribute to the income units (B) a yield equalling at least the annual coupon yield of the index portfolio, however no less than 4% of the unit value on the last day of the year. The yield distribution is decided upon at the Management Company's Annual General Meeting in connection with confirming the annual accounts. The yield is paid to the bank account provided by the unit holder unless otherwise agreed.

## IMPORTANT

The information in this Simplified Prospectus is valid as of the date on the cover, unless otherwise stated. This publication and the current Rules of the Fund, confirmed by Finnish Financial Supervision and available at the Fund Management Company, form the Fund Prospectus. An Annual Report and Quarterly or Semiannual Reports are also published and available at the Fund Management Company. A list of possible errors in the calculation of the net asset value of the fund is viewable by unit holders at the company's offices at Erottajankatu 1–3, 6th floor, FI – 00130 Helsinki, Finland. The subscription and redemption fees published in this prospectus only apply to orders placed directly with the Fund Management Company. When operating through a fund broker or other distributor, investors should take into account their specific conditions.

**This Simplified Prospectus does not constitute an offer or solicitation** (i) by anyone in any jurisdiction in which it is illegal, (ii) where the person making an offer or solicitation is not qualified to do so, or (iii) to anyone to whom it is illegal to make or offer a solicitation. It is the responsibility of prospective subscribers of units to inform themselves as to, and to observe, the legal requirements, exchange control regulations and applicable taxes to which they are subject. The Fund Management Company may restrict or prevent the ownership of units by any person, firm or corporate body including, but without limitation, any US Person.

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## **SELIGSON & CO**

Seligson & Co was founded in 1997 to produce cost efficient investment services for long-term investors. We serve both private and institutional customers.

We are a majority employee and management owned independent asset manager focusing on what is truly best for our customers. Usually this equates with patience and cost efficiency.

We concentrate on helping our customers meet their long-term investment objectives with time tested investment services that are fair and easy to understand, that lead to superior long term results – for our customers.



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