

Annual Report

SEB European Equity Small Caps

Status: 31 December 2022

Notice

The sole legally binding basis for the purchase of units of the Fund described in this report is the latest valid Sales Prospectus with its terms of contract.

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Additional Information to the Investors in Germany

As at 31 December 2022

Units in circulation:

The following Fund is publicly approved for distribution in Germany:

- SEB European Equity Small Caps

The information disclosed above is as at 31 December 2022 and this may change after the year end. The current Fund in circulation and the current registrations per unit class are visible in the distribution matrix on www.sebgroup.lu.

Organisation

Management Company:

SEB Investment Management AB
Stjärntorget 4
SE-169 79 Solna, Sweden

Branch of the Management Company:

SEB Investment Management AB, Luxembourg Branch
4, rue Peternelchen
L-2370 Howald, Luxembourg

Board of Directors of the Management Company

Chairperson

Johan Wigh
Partner
Advokatfirman, Törngren Magnell
Sweden

Members

Mikael Huldt
Head of Alternative Investments
AFA Försäkring
Sweden

Viveka Hirdman-Ryrberg
Head of Corporate Communication & Sustainability
Investor AB
Sweden

Sara Öhrvall (until 9 March 2022)
COO
Axel Johnson
Sweden

Kjell Norling (since 12 January 2022)
CEO
PP Pension
Kammakargatan 22
Stockholm, Sweden

Leif Almhorn (since 29 August 2022)
CEO
Almhorn & Partner AB
Sweden

Investment Manager

SEB Investment Management AB,
Denmark, branch of SEB
Bernstoffsgade 50
DK-1577 Copenhagen V, Denmark

Auditor of the Fund:

Ernst & Young S.A.
35E, avenue John F.Kennedy
L-1855 Luxembourg

Auditor of the Management Company

Ernst & Young AB
Jakobsbergsgatan 24
SE-103 99 Stockholm, Sweden

Global Distributor:

Skandinaviska Enskilda Banken AB (publ)
Kungsträdgårdsgatan 8
SE-106 40 Stockholm, Sweden

Central Administration (including the administrative, registrar and transfer agent function) and Paying Agent in Luxembourg:

The Bank of New York Mellon SA/NV, Luxembourg Branch
2-4, rue Eugène Ruppert
L-2453 Luxembourg

Depository

Skandinaviska Enskilda Banken AB (publ),
Luxembourg Branch
4, rue Peternelchen
L-2370 Howald, Luxembourg

Representatives and Paying Agents outside Luxembourg:

The full list of representatives and paying agents outside Luxembourg can be obtained, free of any charge, at the address of the Management Company, at the address of the Branch and on the website of the Branch.

General Information

SEB European Equity Small Caps (the "Fund") is an open-ended common fund ("FCP" - "Fonds Commun de Placement") governed by Part I of the Luxembourg Law on Undertakings for Collective Investment of 17 December 2010 as amended (the "Law"). The Fund qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS). The Fund, was set up on 30 April 1999 for an undetermined duration. The Management Regulations lastly modified with effect from 25 September 2017, have been published in the *Recueil Electronique des Sociétés et Associations (RESA)* on 19 October 2017. The Fund is registered in Luxembourg with the Luxembourg Register of Commerce under the number K 48. The Management Company was established on 19 May 1978 in the form of a Swedish limited liability company (AB). The Management Company is authorised by Finansinspektionen for the management of UCITS and for the discretionary management of financial instruments and investment portfolios under the Swedish UCITS Act (SFS 2004:46). The Management Company is also authorised as an alternative investment fund manager to manage alternative investment funds under the Swedish AIFM Act (SFS 2013:561).

The Management Company has delegated parts of the Central Administration as further detailed hereafter, including the administrative, registrar and transfer agent functions - under its continued responsibility and control - at its own expenses to The Bank of New York Mellon SA/NV, Luxembourg Branch, 2-4, rue Eugène Ruppert, L-2453 Luxembourg. This branch was created in Luxembourg as a "succursale d'une société de droit étranger" on 15 December 1998 and is an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation. It is registered with the Luxembourg Trade and Companies' Register under Corporate Identity Number B 105087 (the "Administrative Agent" and "Registrar and Transfer Agent").

In the capacity of Administrative Agent, it carries out certain administrative duties related to the administration of the Fund, including the calculation of the NAV of the Units and the provision of account services for the Fund.

In its capacity as Registrar and Transfer Agent, it will process all subscriptions, redemptions and transfers of units, and will register these transactions in the Investors' register of the Fund.

The main objective of the Fund will be to invest directly and/or indirectly in transferable securities and other Eligible Assets, with the purpose of spreading investment risks and achieving long-term capital growth. The investment objectives of the Fund will be carried out in compliance with the investment restrictions set forth in the latest prospectus.

The base currency of the Fund is EUR.

Unless otherwise laid down in the Prospectus, the Management Company may decide to issue for the Fund, capitalisation units ("C") and distribution units ("D").

The "C" Units will reinvest their income, if any. The "D" Units may pay a dividend to its Investors, upon decision of the Management Company. Dividends are paid annually, except where the Management Company would decide on a monthly, quarterly or semi-annual dividend payment.

The unit classes offered for the Fund are disclosed in note 2 of this Annual Report.

The last known issue and redemption prices may be downloaded from the Website of the Branch and/or requested at any time at the registered offices of the Management Company and of the Depository, at the address of its Branch as well as from the paying agents.

In addition, the Net Asset Value, fact sheets and other informational material is published on the SEB Luxembourg website www.sebgroup.lu ("website"). When registered in other countries, the publication media might differ according to the regulatory requirements. Information about ongoing charges can be found in the Key Investor Information Document ("KIID").

The audited annual and unaudited semi-annual reports of the Fund may be obtained, free of charge at the registered office of the Management Company, at the address of its Branch and on the website. These reports as well as copies of the Prospectus, the Management Regulations and the KIID are available, free of charge, at the registered office of the Management Company, at the address of the Branch and on the website.

Management Report

Dear Investors,

With this report, we want to give you an overview of the general economic environment and the development of the most important capital markets of our Fund SEB European Equity Small Caps.

January 2022 – December 2022: the war in Ukraine, central banks' crusade against inflation and tough markets

The world entered 2022 with expectations that inflation would be transitory, but it proved to be more persistent than initially thought. Russia's invasion of Ukraine caused a humanitarian crisis that forced millions of Ukrainians to flee from their homes to neighbouring countries. The war in Ukraine also exacerbated inflationary pressures, which were already elevated before the invasion, as energy prices skyrocketed and global supply chain pressures increased. Central banks were behind the curve as inflation soared, and therefore they tried to restore their credibility by hiking interest rates at the fastest pace in decades. Consumer and business confidence dropped to record lows because of higher living costs from rising food and energy prices as well as higher interest rates. Governments in Europe took different measures to provide economic support and alleviate energy cost increases for households and businesses. But global economic activity eventually fell due to reduced purchasing power from higher costs and lower demand. Labour markets remained tight, and the unemployment rate stayed low, especially in the US, despite signs of a global economic slowdown. Economic activity held up relatively better in the US than in Europe as consumers were less affected by the war and energy crisis. China faced headwinds from Covid-19 lockdowns, property market turmoil, and political uncertainty. By late autumn, China relaxed its zero-Covid policy and began to gradually reopen its economy, following nationwide protests against lockdowns. 2022 was a year full of negative surprises, but signs of peaking inflation and a reopening in China suggest that the worst is probably behind us.

Global equities fell sharply in 2022 and recorded the largest drop in a year since the Global Financial Crisis. The war in Ukraine, rising interest rates and fears of a recession contributed to the fall in equity markets. The single biggest driver behind the decline in equities was the reset of valuations, that is, lower forward price-to-earnings multiples as interest rates increased. Earnings estimates were only revised marginally lower in 2022, despite a weaker outlook. Value stocks outperformed growth stocks, given the higher interest rates, while defensive sectors outperformed cyclical sectors due to recession fears and defensive positioning. Developed market equities tumbled, but still outperformed emerging market equities, which were challenged by the war, tighter financial conditions, a stronger US dollar and headwinds from China. For fixed income, government bonds slumped as bond yields soared amid aggressive tightening from central banks. In credit markets, spreads initially widened after the invasion due to recession fears, but they tightened later during the year due to solid fundamentals, low default rates, and improved risk sentiment.

As a result of the war in Ukraine, military spending increased globally, which benefitted weapon manufacturers. But the share of capex investments in renewable energy also increased as the war fast-forwarded the transition to sustainable energy. Within equities, the energy sector outperformed the market amid the global energy crisis as supply-demand imbalances grew and energy prices soared. Technology stocks were hit particularly hard as bond yields rose and cryptocurrency markets crashed, following the collapses of terraUSD and FTX.

For SEB Investment Management, the drawdown in global equity and bond markets had a negative impact on assets under management and our results. Despite the extremely tough market environment, our results for the first three quarters of 2022 came in only marginally below last year's result. We generated inflows to new alternative products, such as the SEB Nordic Green Energy fund, which is a testament to the trust our customers and stakeholders place in us to support them throughout the business cycle. SEB Investment Management remains committed to its unwavering purpose of delivering a brighter financial future for its customers, through sustainable investments.

Looking forward, the important questions for markets in 2023 are what the inflation path will look like and when central banks will pivot. We believe that inflation has already peaked and expect a sustained downward trend in inflation going forward due to the aggressive monetary tightening and economic slowdown which started in 2022. We also think that interest rates will peak in 2023 due to a moderation of inflation, which should benefit risky assets and lead to stronger performance in equities. If a recession would become a reality, we believe that the recovery would be expeditious, given that China's reopening should increase demand, while inflation and interest rates fall. However, there is uncertainty in our outlook as sticky inflation, the war in Ukraine, and challenges to China's reopening could add headwinds to risky assets.

On behalf of SEB Investment Management AB and our Board of Directors, we thank you again for your continued commitment. And as always, we are here to assist you should you have any concerns.

Luxembourg, 23 January 2023

SEB Investment Management AB

The Board of Directors

Schedule of Investments

As at 31 December 2022

SEB European Equity Small Caps			
Security description	Total holdings	Market value in EUR	% of Net Assets
Transferable securities admitted to an official stock exchange listing			
Shares			
Denmark			
Asetek A/S	568,104	646,267.46	0.29
Chemometec A/S	131,379	12,198,953.10	5.53
Napatech A/S	1,897,831	2,487,482.40	1.13
Netcompany Group A/S '144A'	161,160	6,375,773.11	2.89
NTG Nordic Transport Group A/S	92,425	2,964,222.29	1.35
Total Denmark		24,672,698.36	11.19
Faroe Islands			
Bakkafrost P/F	99,286	5,817,307.08	2.64
Total Faroe Islands		5,817,307.08	2.64
Finland			
Harvia Oyj	290,973	5,144,402.64	2.33
Total Finland		5,144,402.64	2.33
France			
ATEMESA	148,354	1,545,848.68	0.70
ID Logistics Group	24,709	6,622,012.00	3.00
Total France		8,167,860.68	3.70
Germany			
Encavis AG	385,026	7,117,205.61	3.23
Jungheinrich AG - Preference	87,199	2,317,749.42	1.05
Medios AG	284,954	4,986,695.00	2.26
Mensch und Maschine Software SE	171,090	7,801,704.00	3.54
Total Germany		22,223,354.03	10.08
Italy			
Antares Vision SpA	364,854	2,929,777.62	1.33
Carel Industries SpA '144A'	336,637	7,910,969.50	3.59
Interpump Group SpA	73,882	3,114,865.12	1.41
Reply SpA	80,440	8,607,080.00	3.90
Total Italy		22,562,692.24	10.23
Norway			
Medistim ASA	396,843	8,719,347.11	3.95
Total Norway		8,719,347.11	3.95
Singapore			
XP Power Ltd	93,857	2,152,749.67	0.97
Total Singapore		2,152,749.67	0.97
Sweden			
AAK AB	307,541	4,918,603.07	2.23
Avanza Bank Holding AB	120,686	2,426,685.96	1.10
Beijer Ref AB - Class B	538,023	7,117,023.49	3.23
Fortinova Fastigheter AB	292,172	696,256.64	0.32
Fortnox AB	487,208	2,071,899.14	0.94
Hemnet Group AB	297,403	3,359,076.30	1.52
HMS Networks AB	88,672	2,707,940.21	1.23
INVISIO AB	537,740	7,959,523.30	3.61
Lime Technologies AB	173,101	3,580,241.30	1.62
Medicover AB - Class B	425,569	5,346,274.77	2.42

SEB European Equity Small Caps

Security description	Total holdings	Market value in EUR	% of Net Assets
MIPS AB	76,053	2,940,144.53	1.33
Nexam Chemical Holding AB	860,051	391,344.84	0.18
Probi AB	9,408	172,588.70	0.08
Systemair AB	819,513	5,291,334.00	2.40
Wihlborgs Fastigheter AB	153,600	1,084,290.76	0.49
Total Sweden		50,063,227.01	22.70
Switzerland			
Inficon Holding AG	5,305	4,346,505.34	1.97
Medacta Group SA '144A'	41,785	4,358,769.86	1.98
SIG Group AG	421,054	8,613,813.70	3.91
SKAN Group AG	68,869	4,394,107.06	1.99
VAT Group AG '144A'	2,426	621,118.08	0.28
Total Switzerland		22,334,314.04	10.13
United Kingdom			
Animalcare Group Plc	1,091,520	2,798,823.74	1.27
Burford Capital Ltd	536,752	4,035,171.11	1.83
Fevertree Drinks Plc	209,357	2,432,812.29	1.10
Games Workshop Group Plc	71,835	6,934,671.82	3.15
Kainos Group Plc	408,784	7,109,225.09	3.22
Mortgage Advice Bureau Holdings Ltd	520,372	3,108,509.79	1.41
Softcat Plc	210,824	2,813,417.61	1.28
Spirent Communications Plc	1,076,990	3,158,503.87	1.43
Trainline Plc '144A'	1,966,393	6,086,018.98	2.76
YouGov Plc	537,658	6,181,142.18	2.80
Total United Kingdom		44,658,296.48	20.25
Total Shares		216,516,249.34	98.17
Total Transferable securities admitted to an official stock exchange listing		216,516,249.34	98.17
Other Transferable Securities			
Shares			
United Kingdom			
Patisserie Holdings Plc*	1,065,235	0.00	0.00
Total United Kingdom		0.00	0.00
Total Shares		0.00	0.00
Total Other Transferable Securities		0.00	0.00
Total Portfolio		216,516,249.34	98.17

SEB European Equity Small Caps

	Market value in EUR	% of Net Assets
Cash at bank		
Cash at bank	4,407,009.20	2.00
Total Cash at bank	4,407,009.20	2.00
Other assets		
Dividends receivable	22,215.11	0.01
Bank interest receivable on cash accounts	11,325.67	0.01
Receivable on subscriptions	4,996.91	0.00
Total other assets	38,537.69	0.02
Liabilities		
Management fees	(232,718.23)	(0.11)
Taxe d'abonnement	(18,155.09)	(0.01)
Payable on redemptions	(156,786.72)	(0.07)
Other liabilities	(10,982.48)	(0.00)
Total liabilities	(418,642.52)	(0.19)
Total Net Assets as at 31 December 2022	220,543,153.71	100.00

* Positions fair valued by the Management Company.

A list of changes in the assets held during the financial year under review is available free of charge from SEB Investment Management AB.

The accompanying notes are an integral part of these financial statements.

Statement of Operations

For the year ended 31 December 2022

SEB European Equity Small Caps	
EUR	
Income	
Investment income (note 1)	2,918,040.36
Bank interest on cash accounts	15,532.68
Total income	2,933,573.04
Expenses	
Management fees (note 2)	2,910,407.88
Taxe d'abonnement (note 3)	80,989.95
Bank interest on cash accounts	12,097.24
Other expenses	16,225.14
Total expenses	3,019,720.21
Net loss for the year	(86,147.17)

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Net Assets

For the year ended 31 December 2022

	SEB European Equity Small Caps
	EUR
Net Assets at the beginning of the year	379,798,549.89
Net (loss) for the year	(86,147.17)
Net realised gain / (loss) on:	
- sales of securities	8,453,241.18
- foreign exchange	(180,527.07)
Total net realised gain	8,272,714.11
Change in net unrealised appreciation / (depreciation) on:	
- securities	(142,417,287.74)
Total change in net unrealised depreciation	(142,417,287.74)
Decrease in Net Assets as a result of operations	(134,230,720.80)
Proceeds on issues of units	76,370,554.89
Payment on redemptions of units	(98,818,871.56)
Dividends paid	(2,576,358.71)
Total Net Assets as at 31 December 2022	220,543,153.71

The accompanying notes are an integral part of these financial statements.

Statement of Net Assets

As at 31 December 2022

SEB European Equity Small Caps	
EUR	
Assets	
Portfolio at cost	205,673,414.67
Unrealised appreciation	10,842,834.67
Portfolio at market value (note 1)	216,516,249.34
Receivable interest and / or dividends	33,540.78
Cash at bank	4,407,009.20
Other assets	4,996.91
Total Assets	220,961,796.23
Liabilities	
Other liabilities	(418,642.52)
Total Liabilities	(418,642.52)
Total Net Assets as at 31 December 2022	220,543,153.71
Units outstanding as at year end:	
"C (EUR)"	186,218.3620
"C (SEK)"	9,045.0100
"D (EUR)"	256,060.9630
"IC (EUR)"	403,705.1650
"IC (SEK)"	1,916.0000
"UC (EUR)"	2,722.2730
"UD (EUR)"	2,864.0490
"ZC (EUR)"	281,884.6520
Net Asset Value per unit as at year end:	
"C (EUR)"	157.270
"C (SEK)"	174.820
"D (EUR)"	373.260
"IC (EUR)"	137.139
"IC (SEK)"	313.342
"UC (EUR)"	130.714
"UD (EUR)"	121.663
"ZC (EUR)"	139.827

The accompanying notes are an integral part of these financial statements.

Statistical Information

As at 31 December 2022

SEB European Equity Small Caps	
EUR	
Number of "C (EUR)" units outstanding	
as at 31 December 2022	186,218.3620
as at 31 December 2021	196,585.1100
as at 31 December 2020	80,847.4180
Number of "C (SEK)" units outstanding	
as at 31 December 2022	9,045.0100
as at 31 December 2021	10,779.4690
as at 31 December 2020	9,684.4660
Number of "D (EUR)" units outstanding	
as at 31 December 2022	256,060.9630
as at 31 December 2021	281,046.8450
as at 31 December 2020	263,770.0350
Number of "IC (EUR)" units outstanding	
as at 31 December 2022	403,705.1650
as at 31 December 2021	89,210.7860
as at 31 December 2020	10.0000
Number of "IC (SEK)" units outstanding	
as at 31 December 2022	1,916.0000
as at 31 December 2021	1,916.9990
as at 31 December 2020	1,747.0760
Number of "UC (EUR)" units outstanding	
as at 31 December 2022	2,722.2730
as at 31 December 2021	14,312.5390
as at 31 December 2020	1,389.2610
Number of "UD (EUR)" units outstanding	
as at 31 December 2022	2,864.0490
as at 31 December 2021	19.9050
as at 31 December 2020	10.3570
Number of "ZC (EUR)" units outstanding	
as at 31 December 2022	281,884.6520
as at 31 December 2021	669,316.3050
as at 31 December 2020	700,755.5210
Total Net Assets	
as at 31 December 2022	220,543,153.71
as at 31 December 2021	379,798,549.89
as at 31 December 2020	255,022,867.45
Net Asset Value per "C (EUR)" unit	
as at 31 December 2022	157.270
as at 31 December 2021	243.775
as at 31 December 2020	190.024
Net Asset Value per "C (SEK)" unit	
as at 31 December 2022	174.820
as at 31 December 2021	250.176
as at 31 December 2020	191.813
Net Asset Value per "D (EUR)" unit	
as at 31 December 2022	373.260
as at 31 December 2021	591.763
as at 31 December 2020	467.698

SEB European Equity Small Caps
EUR

Net Asset Value per "IC (EUR)" unit	
as at 31 December 2022	137.139
as at 31 December 2021	211.222
as at 31 December 2020	163.576
Net Asset Value per "IC (SEK)" unit	
as at 31 December 2022	313.342
as at 31 December 2021	444.891
as at 31 December 2020	338.419
Net Asset Value per "UC (EUR)" unit	
as at 31 December 2022	130.714
as at 31 December 2021	201.077
as at 31 December 2020	155.568
Net Asset Value per "UD (EUR)" unit	
as at 31 December 2022	121.663
as at 31 December 2021	191.386
as at 31 December 2020	150.105
Net Asset Value per "ZC (EUR)" unit	
as at 31 December 2022	139.827
as at 31 December 2021	214.385
as at 31 December 2020	165.297
Performance in % *)	
"C (EUR)" units	(35.5)
"C (SEK)" units	(30.1)
"D (EUR)" units	(35.3)
"IC (EUR)" units	(35.1)
"IC (SEK)" units	(29.6)
"UC (EUR)" units	(35.0)
"UD (EUR)" units	(34.9)
"ZC (EUR)" units	(34.8)
Dividend paid per D (EUR) unit	
2022	9.4058
2021	7.2253
2020	6.1438
Dividend paid per UD (EUR) unit	
2022	3.0231
2021	2.3043
2020	1.9568

*) Performance is calculated by the following formula: (Prior year closing NAV per unit or first NAV per unit in case of newly launched classes + dividend per unit distributed respectively for D units) / (year end closing NAV per unit or last NAV calculated in case of terminated classes) – 1) * 100.

NAV = Net Asset Value

The past performance is no indication of current or future performance. The performance data do not take account of the costs incurred on the issue and redemption of units.

Notes to the Financial Statements

As at 31 December 2022

Note 1. Significant Accounting Policies

The financial statements have been prepared in accordance with Luxembourg regulations relating to Undertakings for Collective Investment.

The financial statements have been prepared based on the last official Net Asset Value of the period which has been calculated on 30 December 2022 with the prices as of that date.

Investments are valued as follows:

Investments	Last available price	Administrative Agent	Last available settlement prices	A price no lower than the bid price and no higher than the ask price	Latest available forward exchange rates
Listed Transferable securities and money markets instruments	X				
Unlisted Transferable securities and money markets instruments				X	
Units or shares of UCI(TS)		X			

In the event that such prices are not in line with market conditions, or for securities and money market instruments other than those covered in above for which there are no fixed prices, these securities and money market instruments, as well as other assets, will be valued at the current market value as determined in good faith by the Management Company, following generally accepted valuation principles.

In the case that extraordinary circumstances occur which make it impossible or even wrong to make a valuation in accordance with the above-mentioned criteria, the Management Company is entitled to temporarily apply other generally accepted valuation procedures, which are determined by it in good faith, in order to make an appropriate valuation of the Fund's Assets.

Gains and losses on the sale of securities are determined using the average cost method.

Swing pricing:

When substantial sums flow in or out of a Fund, the Investment Manager has to make adjustments, such as trading on the market, in order to maintain the desired asset allocation for the Fund. Trading can incur costs that affect the Unit price of the Fund and the value of existing Investors' investments. Swing pricing is designed to protect Investors' investments in this kind of situation.

The Unit price of the Fund may thus be adjusted upwards in case of large inflows and downwards in case of large outflows on a certain Business Day. The thresholds that trigger swing pricing as well as the size of the adjustments ("swing factor") are set by the board of directors of the Management Company or by a swing price committee appointed by the board of directors of the Management Company.

Adjustments made during the year are recorded in "Proceeds on issues of units" and "Payment on redemptions of units" in the Statement of Changes in Net Assets.

The Board of Directors of the Management Company or swing price committee may also decide a maximum swing factor to apply to a Fund. The list of Funds that currently apply swing pricing, including the size of a maximum swing factor, is available on SEB Investment Management's website. Investors may also request this information, free of charge.

Umbrella	Fund	Maximum applied adjustment
SEB European Equity Small Caps	SEB European Equity Small Caps	0.99% of the NAV

No swing pricing adjustment has been applied to the year end Net Asset Value per unit calculated on the 30 December 2022.

Currency translation:

All assets denominated in a different currency to the Fund's currency are converted into the Fund's currency at the last available exchange rate.

Separate accounts are maintained for the Fund in the currency in which the Net Asset Value per unit to which it relates is expressed (the "accounting currency").

Transactions denominated in a currency other than the accounting currency are recorded on the basis of exchange rates prevailing on the date they occur or accrue to the Fund.

Assets and liabilities, expressed in a currency other than the accounting currency, are translated on the basis of exchange rates ruling at the balance sheet date.

As at 30 December 2022, the exchange rates were as follows:

1 CHF	=	1.012759458	EUR	1 NOK	=	0.095115931	EUR
1 DKK	=	0.134472329	EUR	1 SEK	=	0.089925919	EUR
1 GBP	=	1.127100000	EUR	1 USD	=	0.936985618	EUR

Income:

Interest income and bank interest income are recognised on an accrual basis. Dividends are recorded on the ex-dividend date. This income is shown net of any withholding taxes and adjusted accordingly when tax reclaims apply.

Note 2. Management Fees

The unit classes currently offered for the Fund of SEB European Equity Small Caps are listed below. In payment for its services, the Management Company receives an annual rate of:

Fund name:	ISIN	Unit Class	Effective rate %
SEB European Equity Small Caps	LU1160606635	C (EUR)	1.50
SEB European Equity Small Caps	LU0956267693	C (SEK)	1.65
SEB European Equity Small Caps	LU0099984899	D (EUR)	1.50
SEB European Equity Small Caps	LU2030514256	IC (EUR)	0.90
SEB European Equity Small Caps	LU0956267933	IC (SEK)	0.90
SEB European Equity Small Caps	LU1748252118	UC (EUR)	0.75
SEB European Equity Small Caps	LU1808743485	UD (EUR)	0.75
SEB European Equity Small Caps	LU1716944183	ZC (EUR)	0.45

A twelfth of this rate is being payable at the end of each month and based on the average Net Assets of the Fund calculated daily during the relevant month.

The Management Company pays accounting, administration and depositary fees on behalf of the Fund.

Note 3. Taxation

The Fund is liable in Luxembourg to a subscription tax ("taxe d'abonnement") of 0.05% or 0.01% (as applicable) per annum of its NAV, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Fund at the end of the relevant calendar quarter. Investments by the Fund in shares or units of another Luxembourg undertaking for collective investment which are also subject to the taxe d'abonnement are excluded from the NAV of the Fund serving as basis for the calculation of this tax to be paid by the Fund.

No stamp duty or other tax is payable in Luxembourg on the issue of units.

Interest, dividend and other income realised by the Fund on the sale of securities of non-Luxembourg issuers, may be subject to withholding and other taxes levied by the jurisdictions in which the income is sourced.

Note 4. Transaction Fees

Transaction fees incurred by the Fund relating to the purchase or sale of transferable securities, money market instruments, derivatives or other eligible assets are mainly composed of depositary fees and broker fees. Most of the transaction fees are included in the transaction price used to calculate the realised and unrealised gain/(loss) on securities.

As at 31 December 2022, the transaction fees were as follows:

SEB European Equity Small Caps	85,834.94	EUR
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Note 5. Significant Events during the year

There were no significant events during the period.

Note 6. Subsequent Events after the year end

Prospectus:

The new prospectus was issued in January 2023.

There were no other subsequent events after the year end.

Independent auditor's report

To the Unitholders of
SEB European Equity Small Caps
4, rue Peternelchen
L-2370 Howald

Opinion

We have audited the financial statements of SEB European Equity Small Caps (the "Fund"), which comprise the statement of net assets and the schedule of investments as at 31 December 2022, and the statement of operations and the statement of changes in net assets for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2022, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Management Company of the Fund (the "Board of Directors") is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Nadia Faber

Luxembourg, 24 April 2023

Risk Disclosure (unaudited)

In the context of risk measurement and in accordance with CSSF Circular 11/512 a UCITS must calculate its global exposure on at least a daily basis.

For SEB European Equity Small Caps, the global exposure is calculated and monitored daily by using the commitment methodology.

The Investment Manager calculates the leverage on a gross or on a commitment method. The gross method converts all positions on derivative financial instruments into equivalent positions in the underlying assets, while the commitment method applies the same while allowing netting and hedging arrangements.

The below overview summarises the minimum, maximum and average leverage within the commitment method:

Fund	Commitment Method Leverage			
	Limit	Minimum	Average	Maximum
SEB European Equity Small Caps	100%	0.00%	0.00%	0.00%

The risk monitoring is based on the risk management process adopted by the Board of the Management Company and is performed independently from the portfolio management. No changes have been applied to the risk management procedures.

Remuneration Disclosure (unaudited)

SEB Investment Management AB wishes to encourage and incite good performance and sound behaviour, as well as to endeavour to achieve balanced risk-taking that is aligned with the interests of fund Investors.

The Management Company has a long-term vision regarding the employment conditions of its staff. Total remuneration shall contribute to developing the Management Company's competitiveness and profitability through the Company being able to attract, retain, motivate and reward competent and skilful employees. In order to achieve this objective, the Management Company's board of directors has adopted a remuneration policy based on Swedish and international regulations. The purpose of the remuneration policy is to ensure that the Management Company has a remuneration system that is adapted to the fund Investors' long-term interests and the Management Company's strategy and values.

The remuneration policy is based on the remuneration model that is applied at Group level, and is built on SEB's values. The Management Company's remuneration policy is reviewed at least annually. The Management Company's current remuneration policy is based on a risk analysis that has been prepared by the Management Company's risk control department.

The Management Company's remuneration structure is based on three components:

- Fixed remuneration (basic salary)
- Variable remuneration
- Pensions and other benefits

The remuneration components are used to achieve a competitive individual level of remuneration with an appropriate balance between fixed and variable remuneration.

The fixed remuneration component is individually adapted further to predetermined internal and external appraisals. The level of the fixed remuneration is based on the employee's experience, long-term performance and behaviour.

All employees at the Management Company are embraced by SEB's collective profit sharing model that has a predetermined maximum outcome. The remuneration is established based on SEB's earnings and customer satisfaction.

Remuneration to employees in control departments (internal audit, risk control, and observance of regulations) is established by the board of directors further to proposals from the Management Company's remuneration committee. Remuneration shall be based on objective grounds related to the employee's role and tasks, and be independent of the business unit that the control department scrutinises.

Employees in departments that have a monitoring function, such as internal auditing, risk control or compliance, are not to receive any other variable remuneration over and above SEB's profit sharing.

The Management Company applies the grandfather principle to all remuneration, which means all decisions are to be approved by, at the least, the manager for the manager of the employee concerned.

Variable remuneration

The Management Company uses variable remuneration in order to develop and reward performance and behaviour that create both short-term and long-term value for the fund Investors and the Management Company. Variable remuneration is an important aspect of designing a flexible remuneration system. Variable remuneration is composed of both cash and shares in investment funds or financial instruments which achieve the equivalent common interests as shares in the relevant investment funds.

The principles for variable remuneration adopted by the Management Company are established with the objective of reflecting the Management Company's low risk tolerance and being compatible with the Fund's prevailing risk profiles, fund rules, discretionary mandates, as well as internal and external regulations. The variable remuneration shall be based on the employee's performance and behaviour from a several-year perspective, as well as the performance and economic results of the employee's team, the Management Company and SEB as a whole.

At the same time as obtaining a sound balance between fixed and variable remuneration, the payment of variable remuneration shall be related to the Management Company's risk policy and creation of value for the fund Investors. This implies that certain maximum levels and deferment of payment shall apply to different personnel categories.

For employees in positions that have a significant influence on the Management Company's or the managed funds' risk profile, the maximum variable remuneration may not exceed 100 percent of the fixed remuneration. The variable remuneration is to be deferred by 40 to 60 percent for a minimum of three years. At least 50 percent of the variable remuneration is to consist of shares in investment funds or instruments which achieve the same common interests as shares in the relevant securities funds. Variable remuneration in the form of fund shares will be subject to retention policy for at least one year. This retention policy applies to variable compensation whether or not it is deferred.

The Management Company also applies a special remuneration model for certain employees who manage funds and discretionary mandates. The remuneration model for these persons is based on a structure with distinct rules for maximum outcome of remuneration, deferment of remuneration as well as rules regarding downward adjustment/reduction of remuneration.

Payment of deferred remuneration shall only be made if such is motivated based on the Management Company's economic situation and the performance of the Management Company, the relevant division and the employee.

Reduction or downward adjustment of deferred variable remuneration shall apply should losses, increased risks and costs arise during the deferment period, which includes for example taking into consideration the employee's observance of external and internal regulations. Reduction or downward adjustment shall also take place should payment be deemed unwarrantable in view of the Management Company's financial situation.

The variable remuneration system shall be continuously reviewed in order to ensure that it does not create any unsuitable behaviour and contribute to excessive risk-taking.

The remuneration committee

The Management Company has appointed a remuneration committee with the task of independently appraising the remuneration policy. The remuneration committee shall be responsible for preparing decisions regarding remuneration that are to be adopted by the board of directors, and intervene if a decision could imply consequences for the Management Company's risks and risk management. The remuneration committee is an independent body composed of the board of directors' independent members.

Follow up

The CEO, the deputy CEO and the board of directors shall ensure that the remuneration policy is operationally applied. The remuneration policy shall be reviewed annually by the internal audit department or by an independent auditing firm. In order to ensure that the Management Company's remuneration system is applied in accordance with the remuneration policy, the remuneration system and the payment of remuneration shall be reviewed annually by internal or external auditors.

Regulated staff	Paid remuneration and benefits, 2022 (thousand)
	EUR
- Employees in leading strategic positions	4,374
- Employees responsible for control	183
- Risk-takers	11,096
- Employees whose total remuneration amounts to or exceeds the total remuneration to any of the Executive Board	-
	Total remuneration paid (thousand)
	EUR
- All employees (fixed remuneration)	21,712
- All employees (variable remuneration)	5,475
- Executive management and employees that significantly affect the risk profile of the alternative investment fund	15,470
<i>Number of employees during the year</i>	193

Sustainable Finance Disclosure Regulation (unaudited)

The SEB European Equity Small Caps Fund is categorised as an Article 8 Funds under the Sustainable Finance Disclosure Regulation.

The periodic disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 for SEB European Equity Small Caps Fund is disclosed overleaf.

Product name: SEB European Equity Small Caps

Legal entity identifier: 5299003MHF7KIZXQAT37

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> Yes	<input checked="" type="radio"/> <input type="radio"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ____%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made sustainable investments with a social objective: ____%	<input type="checkbox"/> with a social objective
	<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The sub-fund promoted environmental and social characteristics.

To promote general sustainability characteristics, such as fair business practices, human rights, labour rights, anti-corruption and fair competition, the sub-fund excluded companies that breached international norms and standards where the company could not present clear goals and ongoing measures to address the issue(s).

To promote social and general sustainability characteristics, the sub-fund excluded investments in companies that operated in sectors or business areas that were assessed to present major sustainability challenges, such as tobacco, recreational cannabis, pornography, commercial gambling, civilian weapons and alcohol.

In order to accelerate the reduction of the global greenhouse gas emissions, the sub-fund limited or had no exposure to companies involved in fossil fuels.

The sub-fund integrated sustainability risks and opportunities by considering SEB Investment Management's proprietary sustainability model, in which companies were ranked on a set of sustainability performance parameters. Characteristics within the model included, but were not limited to, carbon emissions, climate solutions, diversity and equality.

In addition, active ownership was exercised with the ambition of influencing companies in a more sustainable direction, related to the above-mentioned challenges and aspects.

● How did the sustainability indicators perform?

The SIMS-S score for the fund at the end of 2022 was 4.88. The benchmark has a SIMS-S score of 5.22. The lower SIMS-S score for the fund is not due to a lack of focus on sustainability, but more a consequence of a lack of data for the portfolio companies. The improvement of data quality for the smaller companies in Europe is an ongoing process, where the investment team is actively encouraging the companies to disclose data in order to improve their scores.

The sustainability indicator outcome for 2022 showed that the fund voted at the AGMs of 39 companies and engaged with 13 companies. Engaging with companies' managements is important but also time consuming. Throughout the year, the investment team engaged in several meetings with managements of both current portfolio holdings as well as potential future investments. The most common topics in terms of sustainability engagement this year have been around the inclusion of ESG in long-term management incentives plan. This is considered a very efficient tool to accelerate focus on ESG for companies.

The fund successfully managed the exclusion criteria set by the fund company in terms of sustainability. The benchmark consists of 995 stocks of which 93 are excluded.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **...and compared to previous periods?**

During the year, the Fund Company has developed, and quantified which indicators are included in the Fund. Based on this development, it is not accurate to compare the Fund's indicators with previous periods.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The product did not commit to any sustainable investments during the period.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The product did not commit to any sustainable investments during the period.

● *How were the indicators for adverse impacts on sustainability factors taken into account?*

The product did not commit to any sustainable investments during the period.

● *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The product did not commit to any sustainable investments during the period.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

Prior to the investment decision, the following PAIs were considered:

· On an exclusionary basis:

From Annex 1 – Table 1 of CDR (EU) 2022/1288

- PAI 4: Exposure to companies active in the fossil sector
- PAI 10: Violations of UN Global Compact Principles & OECD Guidelines for multinational enterprises
- PAI 14: Exposure to controversial weapons

· During the ESG integration process using the SIMS-S combined with fundamental analysis:

From Annex 1 - Table 1 of CDR (EU) 2022/1288

- PAI 1: GHG emissions
- PAI 2: Carbon footprint
- PAI 3: GHG intensity of investee companies
- PAI 4: Exposure to companies active in the fossil sector
- PAI 7: Activities negatively affecting biodiversity-sensitive areas
- PAI 8: Emissions to water
- PAI 9: Hazardous waste ratio
- PAI 10: Violations of UN Global Compact Principles & OECD Guidelines for multinational enterprises
- PAI 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD guidelines for Multinational Enterprises.
- PAI 12: Unadjusted gender pay gap
- PAI 13: Board gender diversity
- PAI 14: Exposure to controversial weapons

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

During the investment period, these PAIs are considered:

- In engagement dialogues with issuers:
- PAI 13 from Annex 1 - Table 1 of CDR (EU) 2022/1288



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: Jan 1, 2022 to Dec 31, 2022

Largest investments	Sector	% Assets	Country
Chemometec A/S	Health Care	6.05	Denmark
Reply SpA	Information Technology	4.27	Italy
SIG Combibloc Group Holdings Sarl	Materials	4.05	Switzerland
Medistim ASA	Health Care	3.91	Norway
Mensch und Maschine Software SE	Information Technology	3.65	Germany
Beijer Ref AB	Industrials	3.47	Sweden
Invisio Communications AB	Industrials	3.28	Sweden
Encavis AG	Utilities	3.24	Germany
Carel Industries SpA	Industrials	3.19	Italy
Netcompany Group AS	Information Technology	3.09	Denmark
ID Logistics Group	Industrials	3.03	France
Harvia Oyj	Consumer Discretionary	2.98	Finland
Medios AG	Health Care	2.87	Germany
YouGov PLC	Communication Services	2.75	United Kingdom
Trainline PLC	Consumer Discretionary	2.72	United Kingdom

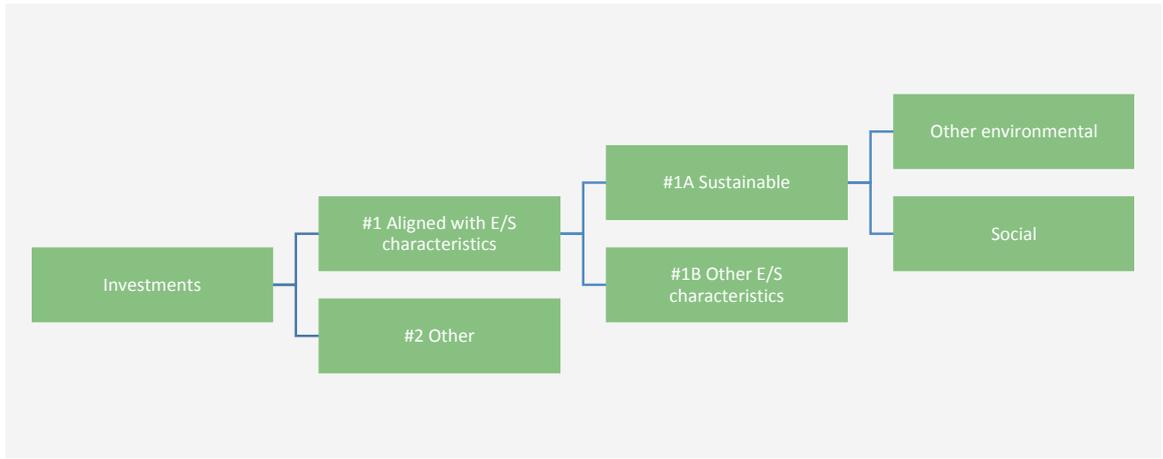


What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

● What was the asset allocation?

As at 31 December 2022 98.19% of the Assets under Management were aligned with E/S characteristics. As at 31 December 2022 1.81% of the Assets under Management were classified as "Other". These Assets consisted of Cash. The product did not commit to any sustainable investments during the period, and only cash and derivatives would fall under Other.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product. As at 31 December 2022 98.19% of the Assets under Management were aligned with E/S characteristics.

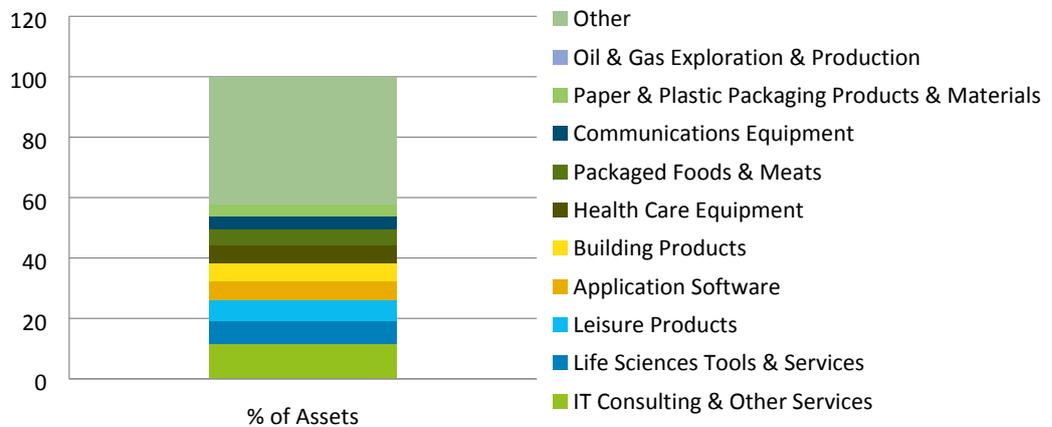
#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments. As at 31 December 2022 1.81% of the Assets under Management were classified as "Other". These Assets consisted of Cash.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Investments were made in the following sub-sectors, with a breakdown of the 10 largest sub-sectors:



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy*?

- Yes:
- In fossil gas
 - In nuclear energy
- No

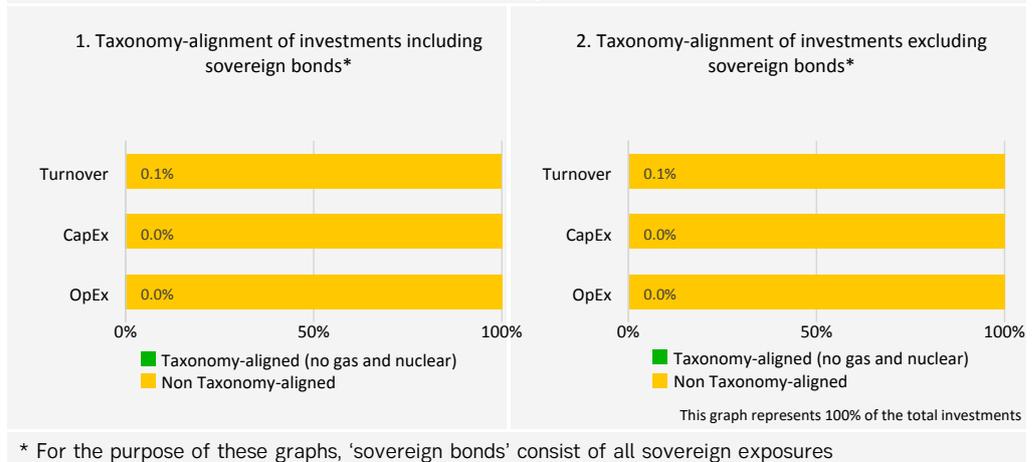
* available data on the sub-fund's investments are reported to be zero.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.

- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



● **What was the share of investments made in transitional and enabling activities?**

The proportion of investments in transition activities and enabling activities are so low in relation to the fund's investments that, given uncertainties linked to data quality, it does not make sense to report this separately.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Due to ambiguity around on the allowed use of estimated taxonomy alignment data for taxonomy reporting there are no previous reporting to compare this year's taxonomy alignment to.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The product did not commit to any sustainable investments with an environmental objective during the period.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of socially sustainable investments?

The product did not commit to any sustainable investments with a social objective during the period.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Cash in the meaning of ancillary liquid assets and derivatives.

The purpose of cash is liquidity and flows, the purpose of derivatives was efficient portfolio management techniques. There was during the period no minimum environmental or social safeguards for these investments.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The fund promotes environmental and social characteristics by actively investing in companies with a focus on sustainability in their offering, and by including companies that will benefit from increased focus on environmental change through less energy consumption and emissions. Sustainability is among the important factors in the quality process for the fund. The investment team also uses scores from the Management Company's proprietary sustainability model from the ESG team, called SIMS-S. Throughout the year, energy efficiency and renewable energy have become even more important. The fund has a strong focus on energy efficiency through investments in companies like Beijer Ref, Carel, Systemair and Interpump.

It is the management team's core belief that a strong focus on sustainability will generate higher return on invested capital over time, with lower risk measured as lower cost of capital. Focus on environmental aspects should generate either higher revenue or higher gross margins, as companies offer products and/or services that at least do not do any harm to the world and preferably can help create more energy efficiency. Focus on social aspects should contribute to more efficiency within the organization as companies treat their people in a proper manner, and over time help generate better operating margins.

Active ownership is an integrated part in the investment process for many reasons. Engaging with companies provides a better understanding of issues they are facing and can contribute to companies being better aligned with a more sustainable future. Throughout the year, we have had engagement with Systemair, Ateme, Chemometec and VAT, among others.



How did this financial product perform compared to the reference benchmark?

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

● How does the reference benchmark differ from a broad market index?

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

● How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

● How did this financial product perform compared with the reference benchmark?

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

● How did this financial product perform compared with the broad market index?

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

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