

# Annual Report

## SEB SICAV 1

Status: 31 December 2019

**Notice**

The sole legally binding basis for the purchase of shares of the Company 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 2019

### **Shares in circulation:**

#### **The following Sub-Fund is publicly approved for distribution in Germany:**

- SEB SICAV 1 - SEB Eastern Europe ex Russia Fund

#### **The following Sub-Fund is not distributed in Germany:**

- SEB SICAV 1 - SEB Emerging Markets Fund

The information disclosed above is as at 31 December 2019 and this may change after the year end. The current Sub-Funds in circulation and the current registrations per share class are visible in the distribution matrix on [www.sebgroup.lu](http://www.sebgroup.lu).

# Organisation

<b>Company:</b>	SEB SICAV 1 4, rue Peternelchen L-2370 Howald, Luxembourg
<b>Board of Directors of the Company:</b>	<b>Chairperson</b> Matthias Ewald Branch Manager SEB Investment Management AB, Luxembourg Branch Luxembourg  <b>Members</b> Alan Ridgway Independent Director The Directors' Office Luxembourg  Henrik Dahlgren Head of Investment Offering SEB Life & Pension Sweden
<b>Management Company:</b>	SEB Investment Management AB Stjärntorget 4 SE-169 79 Solna, Sweden
<b>Board of Directors of the Management Company:</b>	<b>Chairperson</b> Johan Wigh Partner Advokatfirman, Törngren Magnell Sweden  <b>Members:</b> Mikael Huldt (since 22 August 2019) Head of Alternative Investments AFA Försäkring Sweden  Martin Gärtner (since 22 August 2019) Former Head of Private Banking Skandinaviska Enskilda Banken (publ.) Sweden  Viveka Hirdman-Ryrberg (since 22 August 2019) Head of Corporate Communication & Sustainability Investor AB Sweden  Karin S. Thorburn Research Chair Professor of Finance Norwegian School of Economics Norway  Magnus Wallberg (until 14 March 2019) Chief Financial Officer SEB Life & Investment Management Division Sweden

Jenny Askfelt Ruud (until 21 August 2019)  
Head of Alternative Investments  
AP4  
Sweden

**Branch of the Management Company:** SEB Investment Management AB, Luxembourg Branch  
4, rue Peternelchen  
L-2370 Howald, Luxembourg

**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

**Investment Managers:** **SEB SICAV 1 - SEB Eastern Europe ex Russia Fund**  
AS SEB Varahaldus  
Tornimäe 2  
EE-15010 Tallinn, Estonia

**SEB SICAV 1 - SEB Emerging Markets Fund**  
SEB Investment Management AB  
Stjärntorget 4  
SE-169 79 Solna, Sweden

**Depository:** Skandinaviska Enskilda Banken S.A.\*  
4, rue Peternelchen  
L-2370 Howald, Luxembourg

**Auditor of the Company:** Ernst & Young S.A. (since 1 January 2019)  
35E avenue John F. Kennedy  
L-1855 Luxembourg

PricewaterhouseCoopers, Société coopérative (until 31 December 2018)  
2, rue Gerhard Mercator  
L-2182 Luxembourg

**Auditor of the Management Company:** Ernst & Young AB (since 1 January 2019)  
Jakobsbergsgatan 24  
SE-103 99 Stockholm, Sweden

PricewaterhouseCoopers AB (until 31 December 2018)  
Torsgatan 21  
SE-113 97 Stockholm, Sweden

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

**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.

\* Please refer to Note 6, Subsequent Events after the year end.

# General Information

SEB SICAV 1 (the "Company") is a Luxembourg open-ended investment company with variable share capital, organised in the form of a SICAV under the Luxembourg law of 10 August 1915 on commercial companies, as amended ("1915 Law"), and governed by Part I of the Luxembourg Law on Undertakings for Collective Investment of 17 December 2010, as amended, (the "Law"). The Company qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS). The Company was incorporated on 7 November 1990 for an unlimited duration as a public limited company ("société anonyme"). The Articles of Incorporation were published in the "Recueil Spécial des Sociétés et Associations" (hereafter "*Mémorial C*") on 20 December 1990. The Articles of Incorporation lastly modified with effect from 29 March 2019 have been published in the *Recueil Electronique des Sociétés et Associations (RESA)* on 16 April 2019. The Company is registered with the RCS under the number B 35166. The Company is managed by SEB Investment Management AB (the "Management Company"). 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 Company, including the calculation of the NAV of the Shares and the provision of account services for the Company.

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

The main objective of each Sub-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 Sub-Funds will be carried out in compliance with the investment restrictions set forth in the latest prospectus.

At present, two Sub-Funds are at the Shareholders' disposal:

- SEB SICAV 1 - SEB Eastern Europe ex Russia Fund
- SEB SICAV 1 - SEB Emerging Markets Fund

Unless otherwise laid down in part II of the Prospectus, "The Sub-Funds", the Company may decide to issue, for each Sub-Fund, capitalisation Shares ("C" Shares) and distribution Shares ("D" Shares).

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

Currently, the following share classes are offered for the Sub-Funds:

- SEB SICAV 1 - SEB Eastern Europe ex Russia Fund
  - Capitalisation shares ("C (EUR)" shares) ISIN LU0070133888
  - Capitalisation shares ("UC (EUR)" shares) ISIN LU1808746744

- SEB SICAV 1 - SEB Emerging Markets Fund
  - Capitalisation shares ("C (EUR)" shares) ISIN LU1526357881
  - Capitalisation shares ("C (USD)" shares) ISIN LU0037256269
  - Capitalisation shares ("UC (EUR)" shares) ISIN LU1808747478
  - Capitalisation shares ("ZC (EUR)" shares) ISIN LU1732232001

The base currency of the Company and the Sub-Fund SEB SICAV 1 - SEB Emerging Markets Fund is US Dollar. The base currency of the Sub-Fund SEB SICAV 1 - SEB Eastern Europe ex Russia Fund is Euro.

The issue and redemption prices, which are computed daily on bank business days in Luxembourg, except 24 December and 31 December ("Valuation date"), can be obtained from the registered offices of the Company, the Depositary and the Paying Agent.

In addition, the Net Asset Value, fact sheets and other informational material is published on the SEB Luxembourg website [www.sebgroup.lu](http://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 un-audited semi-annual reports of the Company 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 Articles of Incorporation 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 Shareholders,

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 Company SEB SICAV 1.

We would like to thank you for your confidence and will do everything within our power to justify your decision of investing in our Company.

## **A strong equity year despite challenges**

What a year 2019 was. If we knew in early January 2019 that US-China trade tensions would be settled mid-December 2019, that the ISM Manufacturing index would fall from 56.6 index points to a low of 47.8, that German industrial production would drop by nearly 5%, and that we would see almost 0% earnings growth for global equities we would have expected a year of negative returns. At the very least we would have expected a drawdown in equities larger than the 6.8% which became the maximum for US equities (SP500).

That said, we need to remember that 2019 started off rather unusually: we had just exited the Q4 2018 correction, the US Federal Reserve Bank (the "FED") was still communicating hikes for the coming year, and overall investor sentiment was bearish. As the FED realigned their policy to catch up with market pricing and US-China trade discussions started to progress, equities found enough support to rally. Furthermore, general expectations were that growth would not deteriorate further as the US economy continued to appear robust. The slowdown in Europe was ascribed to the auto sector adjusting to the new emission standards that came into play during that autumn. After the initial rally in early 2019, US-China trade tensions escalated and the two countries imposed increased tariffs on one another's goods. And so began the second half of 2019. In a normal market environment, an escalating trade war combined with deteriorating macroeconomic momentum would lead to a negative reaction in the equity markets. However, as yields dropped throughout the first half of the year the acronym TINA - there is no alternative - started to dominate the markets.

Investors were reluctant to sell risky assets since they would then have been forced to buy low or negative yielding assets instead. Nevertheless, the markets were able to weather the US-China trade storm without correcting in earnest. Markets took off when the trade war split into phases in early September, thus raising the likelihood for a small deal higher.

Investors not selling equities because they feel there is no alternative is one matter. Buying equities outright is another matter altogether. Thus the second popular acronym of 2019, FOMO – fear of missing out – emerged. Investors started buying into a 2020 growth recovery story when they saw that risks due to trade tensions were lessening, macro had stopped deteriorating, and US private consumption remained strong. Since no upward revisions to estimates of earnings per share were apparent, we conclude that the FOMO theme played out, pushing valuations close to the highs of the current cycle in 2020.

Now as might be deduced from the above, we have entered year 2020 on more precarious footing than at the start of 2019. Valuations are higher, central bank ammunition is lower, the growth outlook is weaker, and investor positioning is more aggressive. Following a year where equities have risen approximately 30% purely on the basis of multiple expansion it is obvious that 2020 is going to be more challenging.

## **Macro developments**

Growth generally deteriorated throughout 2019 as political uncertainty during the year dragged down investments and inventories.

Although weakness was initially experienced primarily in the European auto and manufacturing sector it started to spread as the year progressed to the European service sector, eventually spreading to the US as well. Leading indicators for both manufacturing and services fell into contraction territory as the trade war dominated.

That said, the weakness as shown in survey indicators appeared to be exaggerated by political uncertainty. An example is the sharp decline in the employment component of the ISM Non-Manufacturing indicator in September. Given that the service sector dominates in terms of employment, the market feared an imminent decline in the US employment growth, but that scenario never materialised. In fact, relatively strong employment growth was experienced throughout the second half of 2019. We believe this was one indication, among many, that the weakness in survey indicators and the rise in perceived recession risks were primarily driven by a negative sentiment shock from the trade war discussions.

However, the global economy did not enter a recession last year and growth stabilised in Q4 2019 - despite the clear growth slowdown throughout the year. Looking back, we believe that the uncertainty regarding US-China trade tensions was the major issue hampering global growth. Now that those tensions are partially resolved it looks likely that stronger growth going forward can be expected.

## **The markets in 2020**

In terms of markets, the big question for the first half of 2020 is how much multiple expansion we can expect. In a year of muted economic growth, we believe it is unreasonable to assume earnings growth in the high single digits as analysts are saying.

We think earnings growth in the vicinity of 4-5% is the most likely scenario. This would be in line with most buy side estimates. Naturally 4-5% earnings growth would, on the surface, paint a muted picture for equity return outlook - especially when valuations are already at high levels. In this rather muted scenario, we have to acknowledge the impact of the TINA and FOMO arguments that prevailed through 2019.

In this world of extremely low yields, we believe in taking a cautious approach rather than putting too much emphasis on the high equity valuations (on a tactical horizon). We think it is advisable to focus more on the delta in terms of macro and politics.

We expect a brief inventory driven boost to macro in the coming months which should be sufficient to further fuel the FOMO theme. Especially so when investor surveys continue to indicate that although the mood has turned more positive, we still have a large investor group that is reluctant to add equity risk.

Naturally it is impossible to forecast the ceiling for equity valuations. Highs in this circle are already being reached, but they should be regarded in the context of the current low yield environment.

As long as macro continues to improve, we expect equities to rise until positioning is exceedingly stretched. What this will drive in terms of valuations remains to be seen. In this context, we wish to stress that core government bond yields have remained at low levels while equities have risen considerably during the latter part of 2019.

## **Conclusion**

How to summarise all this? First of all, we expect early 2020 to continue to present strong returns for risky assets despite a substantially elevated valuation starting point. The main requirement for this is that the news flow in terms of macro and politics stays positive, which we expect it will. Nevertheless, the outlook for the period after summer 2020 remains blurry. We expect the inventory boost to dwindle and political risks to rise as the US presidential elections draw closer.

Consider also that the US labour market is very tight – the wage inflation that has been predicted for so long will eventually develop. Another factor is the US Federal Reserve's actions: although the Fed is not expected to announce hikes in 2020, the market could start pricing it in for 2021. We believe the record-long bull market in equities will finally come to an end when yields start climbing higher.

## **Addendum – COVID 19**

As we write this update, 24 March 2020, the COVID-19 pandemic has spread from China to Europe, and the US. The impact on global financial markets has been substantial. We have seen sharp corrections in equities across all regions, the promise of massive fiscal and monetary stimulus, and, in all likelihood, the development of a global recession. It is not yet possible to grasp all the repercussions of the pandemic and the resulting societal restrictions. It is increasingly obvious that the shutdowns that have been implemented to halt the virus will lead to significant slowdowns in growth and rapidly rising unemployment rates. The question, however, is whether we are witnessing the start of a prolonged recession.

We at SEB Investment Management currently believe that the global economy has the ability to bounce back in the second half of 2020. Consider the following two factors: the expected dwindling of COVID-19 during the summer, and the significance of the various government stimulus measures that are being offered across all regions. However, the longer the crisis persists, the more like it is that the consequences of the expected second round of COVID-19 will be more serious. As governments increase borrowing and as growth slows, many of the issues that have been postponed or overlooked in the past 10 years will rise to the surface. We believe one of the most pressing issues is the stability of the eurozone.

The eurozone was under pressure from 2012 to 2014 due to the situation in Greece when the country appeared to teeter on the brink of insolvency. Today we see an increased risk of Italy being forced into the same predicament due to the consequences of the COVID-19 crisis. We believe the immediate years ahead are likely to be volatile, even after the COVID-19 crisis of 2020 has begun to fade.

We focus our investment process on identifying undervalued quality companies with low volatility and positive sentiment. These stock characteristics often complement each other, and our investment process does not depend on any specific economic conditions. We continuously monitor our funds' portfolios and adjust as needed. This past autumn and winter, for example, we decreased the weighting of the value factor in favour of quality and low risk in our Global, North American, and European funds. As the COVID-19 outbreak spread across the globe, we have increased our focus on maintaining well-diversified portfolios with beta at a reasonable level slightly below 1. We are also keeping tighter constraints on position sizes, sectors and industries; and on limiting the funds' exposure to high leverage. Although our funds have experienced outflows during this period, we have been able to deal constructively with these outflows. As always, we continuously monitor the liquidity of our funds' holdings while maintaining adequate cash levels for handling inflows and outflow.

The repercussions from the many and widespread consequences of COVID-19 have significant implications for the economy in general. However, we continue to aim to ensure that our funds are as well diversified as possible, especially considering the extreme challenges of the current situation. Our approach continues to focus on quality investments including investment criteria such as well-proven business models, well-capitalised balance sheets and a fair degree of cash flow predictability. These characteristics have historically proven to be relatively favoured, even in recessionary environments. This is why we believe they should mitigate at least some of the negative effects of the crisis. We monitor the inflows and outflows of the fund very closely in order to maintain adequate cash levels.

Luxembourg, 24 March 2020

**SEB Investment Management AB**

The Board of Directors

# Schedule of Investments

## As at 31 December 2019

### SEB SICAV 1 - SEB Eastern Europe ex Russia Fund

Security description	Total holdings	Market value in EUR	% of Net Assets
<b>Transferable securities admitted to an official stock exchange listing</b>			
<b>Shares</b>			
<b>Austria</b>			
Addiko Bank AG	477,610	6,877,584.00	5.84
Raiffeisen Bank International AG	52,595	1,177,602.05	1.00
<b>Total Austria</b>		<b>8,055,186.05</b>	<b>6.84</b>
<b>Bulgaria</b>			
CB First Investment Bank AD	265,872	483,927.49	0.41
<b>Total Bulgaria</b>		<b>483,927.49</b>	<b>0.41</b>
<b>Croatia</b>			
Adris Grupa DD - Preference	1,381	91,780.59	0.08
Hrvatski Telekom DD	11,040	259,393.50	0.22
<b>Total Croatia</b>		<b>351,174.09</b>	<b>0.30</b>
<b>Cyprus</b>			
Purcari Wineries Plc	4,590	21,398.34	0.02
<b>Total Cyprus</b>		<b>21,398.34</b>	<b>0.02</b>
<b>Czech Republic</b>			
CEZ AS	135,985	2,710,107.97	2.30
Kofola CeskoSlovensko AS	93,846	1,035,575.17	0.88
Komerčni banka AS	109,248	3,547,958.62	3.01
Moneta Money Bank AS '144A'	275,873	920,305.72	0.78
O2 Czech Republic AS	148,682	1,357,503.30	1.15
<b>Total Czech Republic</b>		<b>9,571,450.78</b>	<b>8.12</b>
<b>Estonia</b>			
Ekspress Grupp AS	144,811	119,469.08	0.10
Tallink Grupp AS	523,863	511,290.29	0.43
Tallinna Sadam AS '144A'	129,532	257,121.02	0.22
<b>Total Estonia</b>		<b>887,880.39</b>	<b>0.75</b>
<b>Hungary</b>			
Magyar Telekom Telecommunications Plc	639,913	863,641.33	0.73
MOL Hungarian Oil & Gas Plc	430,130	3,822,417.21	3.25
OTP Bank Nyrt	82,632	3,831,463.10	3.25
Richter Gedeon Nyrt	93,600	1,824,847.54	1.55
<b>Total Hungary</b>		<b>10,342,369.18</b>	<b>8.78</b>
<b>Lithuania</b>			
AUGA Group AB	2,368,625	862,179.50	0.73
<b>Total Lithuania</b>		<b>862,179.50</b>	<b>0.73</b>
<b>Poland</b>			
Alior Bank SA	547,428	3,685,292.46	3.13
Bank Millennium SA	929,290	1,271,702.79	1.08
Bank Polska Kasa Opieki SA	258,872	6,106,845.68	5.18
CCC SA	73,500	1,892,604.08	1.61
Ciech SA	131,997	1,211,453.15	1.03
Develia SA	3,218,359	1,933,927.80	1.64
Energa SA	315,000	526,818.75	0.45
Famur SA	623,096	439,506.44	0.37
Grupa Lotos SA	116,861	2,304,170.91	1.96

## SEB SICAV 1 - SEB Eastern Europe ex Russia Fund

Security description	Total holdings	Market value in EUR	% of Net Assets
Jastrzebska Spolka Weglowa SA	109,528	547,094.80	0.46
KGHM Polska Miedz SA	55,969	1,256,735.05	1.07
PGE Polska Grupa Energetyczna SA	1,196,859	2,245,809.63	1.91
Polski Koncern Naftowy ORLEN SA	520,126	10,475,183.91	8.89
Polskie Gornictwo Naftowe i Gazownictwo SA	3,005,549	3,033,598.31	2.57
Powszechna Kasa Oszczednosci Bank Polski SA	1,056,472	8,570,329.71	7.27
Powszechny Zaklad Ubezpieczen SA	527,956	4,963,248.90	4.21
Santander Bank Polska SA	43,901	3,101,749.45	2.63
Tauron Polska Energia SA	1,042,638	402,347.37	0.34
<b>Total Poland</b>		<b>53,968,419.19</b>	<b>45.80</b>
<b>Romania</b>			
BRD-Groupe Societe Generale SA	932,009	3,078,503.45	2.61
OMV Petrom SA	23,185,509	2,169,062.80	1.84
Societatea Nationala de Gaze Naturale ROMGAZ SA	295,775	2,294,023.30	1.95
<b>Total Romania</b>		<b>7,541,589.55</b>	<b>6.40</b>
<b>Slovenia</b>			
Nova Ljubljanska Banka DD GDR	381,268	4,628,593.52	3.93
Pozavarovalnica Sava DD	59,198	1,065,564.00	0.90
Zavarovalnica Triglav DD	18,360	611,388.00	0.52
<b>Total Slovenia</b>		<b>6,305,545.52</b>	<b>5.35</b>
<b>Turkey</b>			
AG Anadolu Grubu Holding AS	202,811	540,829.12	0.46
Akcansa Cimento AS	79,135	118,821.28	0.10
Anadolu Efes Biracilik Ve Malt Sanayii AS	168,270	594,250.58	0.50
Arcelik AS	205,000	638,393.15	0.54
Aselsan Elektronik Sanayi Ve Ticaret AS	250,000	767,266.97	0.65
Emlak Konut Gayrimenkul Yatirim Ortakligi AS (REIT)	5,000,000	1,096,095.67	0.93
Petkim Petrokimya Holding AS	1,680,000	943,423.06	0.80
Soda Sanayii AS	730,000	676,291.03	0.57
Tekfen Holding AS	237,000	699,256.49	0.59
Tupras Turkiye Petrol Rafinerileri AS	102,000	1,949,638.88	1.66
Turk Hava Yollari AO	253,000	543,228.02	0.46
Turkcell Iletisim Hizmetleri AS	517,000	1,077,471.05	0.92
Turkiye Garanti Bankasi AS	838,000	1,410,506.96	1.20
Turkiye Sise ve Cam Fabrikalari AS	870,000	693,648.38	0.59
Turkiye Vakiflar Bankasi TAO	1,714,000	1,371,714.18	1.16
Yapi ve Kredi Bankasi AS	1,660,000	618,137.90	0.53
<b>Total Turkey</b>		<b>13,738,972.72</b>	<b>11.66</b>
<b>Total Shares</b>		<b>112,130,092.80</b>	<b>95.16</b>
<b>Total Transferable securities admitted to an official stock exchange listing</b>		<b>112,130,092.80</b>	<b>95.16</b>

## SEB SICAV 1 - SEB Eastern Europe ex Russia Fund

Security description	Total holdings	Market value in EUR	% of Net Assets
<b>Other Transferable Securities</b>			
<b>Shares</b>			
<b>Poland</b>			
getBACK SA*	884,494	0.00	0.00
<b>Total Poland</b>		<b>0.00</b>	<b>0.00</b>
<b>Total Shares</b>		<b>0.00</b>	<b>0.00</b>
<b>Total Other Transferable Securities</b>		<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>		<b>112,130,092.80</b>	<b>95.16</b>
<b>Cash at bank</b>			
Cash at bank		5,799,206.16	4.92
<b>Total Cash at bank</b>		<b>5,799,206.16</b>	<b>4.92</b>
<b>Other assets</b>			
Bank interest receivable on cash accounts		16,257.38	0.01
Receivable on subscriptions		24,208.87	0.02
<b>Total other assets</b>		<b>40,466.25</b>	<b>0.04</b>
<b>Liabilities</b>			
Bank overdraft		(3.61)	(0.00)
Management fees		(32,332.79)	(0.03)
Payable on redemptions		(91,390.03)	(0.08)
Other liabilities		(8,771.74)	(0.01)
<b>Total liabilities</b>		<b>(132,498.17)</b>	<b>(0.12)</b>
<b>Total Net Assets as at 31 December 2019</b>		<b>117,837,267.04</b>	<b>100.00</b>

\* 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.

# Schedule of Investments

## As at 31 December 2019

### SEB SICAV 1 - SEB Emerging Markets Fund

Security description	Maturity	Total holdings	Market value in USD	% of Net Assets
<b>Transferable securities admitted to an official stock exchange listing and/or dealt within another regulated market</b>				
<b>Shares</b>				
<b>Brazil</b>				
Cia de Saneamento de Minas Gerais-COPASA		41,700	704,858.52	0.49
Cia de Transmissao de Energia Eletrica Paulista - Preference		247,524	1,389,511.38	0.96
Qualicorp Consultoria e Corretora de Seguros SA		91,900	847,637.73	0.59
Smiles Fidelidade SA		10,900	106,416.32	0.07
Telefonica Brasil SA - Preference		83,711	1,206,650.78	0.83
TIM Participacoes SA		438,200	1,707,112.83	1.18
Transmissora Alianca de Energia Eletrica SA (Units)		64,603	500,783.09	0.35
Tupy SA		52,700	331,475.93	0.23
<b>Total Brazil</b>			<b>6,794,446.58</b>	<b>4.70</b>
<b>Cayman Islands</b>				
361 Degrees International Ltd		582,000	106,875.85	0.07
Agile Group Holdings Ltd		706,000	1,062,558.59	0.73
Alibaba Group Holding Ltd ADR		23,982	5,106,007.62	3.53
Cayman Engley Industrial Co Ltd		7,000	21,651.76	0.02
China Lesso Group Holdings Ltd		1,830,000	2,338,270.46	1.62
China Lilang Ltd		263,000	214,461.85	0.15
China Medical System Holdings Ltd		32,000	45,202.58	0.03
China Resources Cement Holdings Ltd		1,216,000	1,552,174.46	1.07
China Sanjiang Fine Chemicals Co Ltd		118,000	24,851.15	0.02
China SCE Group Holdings Ltd		2,618,000	1,522,959.72	1.05
Eurocharm Holdings Co Ltd		38,000	153,723.19	0.11
Hiroca Holdings Ltd		103,000	229,083.17	0.16
Kingboard Laminates Holdings Ltd		246,500	302,934.99	0.21
Longfor Group Holdings Ltd '144A'		4,500	20,919.04	0.01
NetDragon Websoft Holdings Ltd		19,500	46,175.98	0.03
Powerlong Real Estate Holdings Ltd		112,000	74,070.59	0.05
Shui On Land Ltd		515,000	114,412.61	0.08
Tencent Holdings Ltd		67,300	3,311,777.40	2.29
Tingyi Cayman Islands Holding Corp		78,000	132,417.88	0.09
TOPBI International Holdings Ltd		259,627	820,343.17	0.57
Zhen Ding Technology Holding Ltd		408,000	1,928,981.26	1.33
<b>Total Cayman Islands</b>			<b>19,129,853.32</b>	<b>13.22</b>
<b>Chile</b>				
Cia Cervecerias Unidas SA		9,458	92,769.29	0.07
Colbun SA		305,511	48,791.65	0.03
<b>Total Chile</b>			<b>141,560.94</b>	<b>0.10</b>
<b>China</b>				
Anhui Conch Cement Co Ltd 'A'		49,528	374,018.21	0.26
Anhui Conch Cement Co Ltd 'H'		366,000	2,664,923.32	1.84
Anhui Expressway Co Ltd 'H'		58,000	34,484.95	0.02
Bank of Beijing Co Ltd 'A'		2,292,974	1,857,250.26	1.28
Bank of Communications Co Ltd 'H'		3,929,000	2,815,378.57	1.95
Bank Of Jiangsu Co Ltd 'A'		1,501,500	1,549,228.46	1.07
Beijing Capital International Airport Co Ltd 'H'		494,000	472,610.97	0.33
China CITIC Bank Corp Ltd 'A'		514,700	454,458.47	0.31
China CITIC Bank Corp Ltd 'H'		3,884,000	2,379,130.00	1.65
China Everbright Bank Co Ltd 'A'		2,435,400	1,529,993.86	1.06
China Everbright Bank Co Ltd 'H'		900,000	425,315.20	0.29

## SEB SICAV 1 - SEB Emerging Markets Fund

Security description	Maturity	Total holdings	Market value in USD	% of Net Assets
China Minsheng Banking Corp Ltd 'A'		1,912,800	1,727,244.38	1.19
China National Building Material Co Ltd 'H'		150,000	164,116.19	0.11
Daqin Railway Co Ltd 'A'		212,107	249,506.40	0.17
Hla Corp Ltd 'A'		624,675	678,501.43	0.47
Huaxin Cement Co Ltd 'A'		461,757	1,643,403.24	1.14
Huishang Bank Corp Ltd 'H'		92,400	34,410.47	0.02
Hunan Valin Steel Co Ltd 'A'		1,960,739	1,330,004.15	0.92
Jiangsu Expressway Co Ltd 'H'		516,000	710,338.02	0.49
Postal Savings Bank of China Co Ltd 'H' '144A'		514,000	351,812.20	0.24
Shenzhen Expressway Co Ltd 'H'		556,000	802,530.74	0.56
Sinopec Shanghai Petrochemical Co Ltd 'H'		3,150,000	930,376.99	0.64
Weichai Power Co Ltd 'H'		661,000	1,368,318.09	0.95
Zhejiang Expressway Co Ltd 'H'		166,000	151,138.43	0.11
<b>Total China</b>			<b>24,698,493.00</b>	<b>17.07</b>
<b>Colombia</b>				
Ecopetrol SA		1,366,616	1,381,830.56	0.95
Grupo Aval Acciones y Valores SA - Preference		657,545	292,821.59	0.20
Interconexion Electrica SA ESP		91,061	544,393.89	0.38
<b>Total Colombia</b>			<b>2,219,046.04</b>	<b>1.53</b>
<b>Czech Republic</b>				
Moneta Money Bank AS '144A'		479,954	1,797,250.69	1.24
O2 Czech Republic AS		56,447	581,897.97	0.40
<b>Total Czech Republic</b>			<b>2,379,148.66</b>	<b>1.64</b>
<b>Greece</b>				
Aegean Airlines SA		4,280	40,230.27	0.03
FF Group		10,509	28,256.60	0.02
Hellenic Petroleum SA		8,130	79,151.20	0.06
Hellenic Telecommunications Organization SA		38,329	611,912.83	0.42
JUMBO SA		46,932	972,194.54	0.67
Motor Oil Hellas Corinth Refineries SA		84,501	1,982,374.62	1.37
<b>Total Greece</b>			<b>3,714,120.06</b>	<b>2.57</b>
<b>Hong Kong</b>				
China Overseas Grand Oceans Group Ltd		708,000	490,961.67	0.34
CNOOC Ltd		2,021,000	3,353,122.35	2.32
Poly Property Group Co Ltd		1,153,000	484,169.73	0.33
Shenzhen Investment Ltd		344,000	138,710.28	0.10
<b>Total Hong Kong</b>			<b>4,466,964.03</b>	<b>3.09</b>
<b>Hungary</b>				
Magyar Telekom Telecommunications Plc		362,426	548,342.45	0.38
MOL Hungarian Oil & Gas Plc		92,878	926,313.19	0.64
<b>Total Hungary</b>			<b>1,474,655.64</b>	<b>1.02</b>
<b>India</b>				
Bharti Infratel Ltd		17,933	64,194.82	0.05
Graphite India Ltd		32,910	141,272.75	0.10
Gujarat State Petronet Ltd		54,945	168,489.64	0.12
HCL Technologies Ltd		99,751	796,259.61	0.55
HEG Ltd		4,944	75,468.02	0.05
Hexaware Technologies Ltd		78,305	365,949.41	0.25
Infosys Ltd		9,668	99,352.23	0.07
Mahanagar Gas Ltd		64,688	957,048.99	0.66
National Aluminium Co Ltd		126,805	78,321.06	0.05

## SEB SICAV 1 - SEB Emerging Markets Fund

Security description	Maturity	Total holdings	Market value in USD	% of Net Assets
NMDC Ltd		1,215,893	2,164,334.13	1.50
Oil & Natural Gas Corp Ltd		787,120	1,412,139.11	0.98
Oil India Ltd		64,056	136,476.15	0.09
Oracle Financial Services Software Ltd		647	24,938.33	0.02
Persistent Systems Ltd		4,722	44,489.67	0.03
Power Finance Corp Ltd		265,660	425,391.21	0.29
REC Ltd		43,756	86,660.72	0.06
Sonata Software Ltd		6,600	28,086.58	0.02
Trident Ltd/India		485,190	45,580.90	0.03
Wipro Ltd		195,929	683,922.82	0.47
<b>Total India</b>			<b>7,798,376.15</b>	<b>5.39</b>
<b>Indonesia</b>				
Link Net Tbk PT		278,000	79,060.64	0.06
Matahari Department Store Tbk PT		581,300	175,753.01	0.12
Media Nusantara Citra Tbk PT		4,500,400	526,816.15	0.36
Ramayana Lestari Sentosa Tbk PT		264,600	20,237.64	0.01
<b>Total Indonesia</b>			<b>801,867.44</b>	<b>0.55</b>
<b>Luxembourg</b>				
Kernel Holding SA		3,291	39,199.74	0.03
PLAY Communications SA '144A'		183,658	1,692,055.43	1.17
<b>Total Luxembourg</b>			<b>1,731,255.17</b>	<b>1.20</b>
<b>Malaysia</b>				
Astro Malaysia Holdings Bhd		301,900	94,837.85	0.07
Berjaya Sports Toto Bhd		116,500	73,761.23	0.05
Bermaz Auto Bhd		259,500	133,336.39	0.09
BIMB Holdings Bhd		106,100	114,975.23	0.08
Malaysian Pacific Industries Bhd		69,900	194,729.65	0.13
Padini Holdings Bhd		48,800	38,859.43	0.03
Ta Ann Holdings Bhd		112,960	97,927.25	0.07
UOA Development Bhd		264,300	130,010.20	0.09
<b>Total Malaysia</b>			<b>878,437.23</b>	<b>0.61</b>
<b>Mexico</b>				
Coca-Cola Femsa SAB de CV (Units)		39,600	241,192.06	0.17
Credito Real SAB de CV SOFOM ER		23,100	28,756.33	0.02
Fibra Uno Administracion SA de CV (REIT)		690,400	1,070,656.21	0.74
Gentera SAB de CV		29,300	29,577.26	0.02
Grupo Aeroportuario del Centro Norte SAB de CV - Class B		140,227	1,049,313.21	0.72
Megacable Holdings SAB de CV		353,871	1,448,765.70	1.00
Nemak SAB de CV '144A'		67,200	28,074.94	0.02
Qualitas Controladora SAB de CV		13,300	55,988.07	0.04
<b>Total Mexico</b>			<b>3,952,323.78</b>	<b>2.73</b>
<b>Philippines</b>				
Cebu Air Inc		83,180	146,996.00	0.10
First Gen Corp		195,200	93,080.89	0.06
Globe Telecom Inc		26,860	1,071,324.26	0.74
Manila Electric Co		51,910	324,918.06	0.23
PLDT Inc		935	18,240.31	0.01
Wilcon Depot Inc		79,400	28,219.97	0.02
<b>Total Philippines</b>			<b>1,682,779.49</b>	<b>1.16</b>
<b>Poland</b>				
Asseco Poland SA		5,420	90,810.15	0.06

## SEB SICAV 1 - SEB Emerging Markets Fund

Security description	Maturity	Total holdings	Market value in USD	% of Net Assets
Ciech SA		3,198	33,419.94	0.02
Grupa Lotos SA		1,715	37,731.42	0.03
Polski Koncern Naftowy ORLEN SA		75,788	1,712,086.28	1.19
<b>Total Poland</b>			<b>1,874,047.79</b>	<b>1.30</b>
<b>Russia</b>				
Detsky Mir PJSC '144A'		192,540	310,601.49	0.21
Federal Grid Co Unified Energy System PJSC		136,430,000	441,580.58	0.30
Gazprom Neft PAO		10,475	353,531.25	0.24
Gazprom Neft PJSC		155,710	1,055,366.82	0.73
Inter RAO UES PJSC		34,162,291	2,778,640.71	1.92
LUKOIL PJSC		21,489	2,138,521.11	1.48
Magnitogorsk Iron & Steel Works PJSC		2,363,421	1,599,394.58	1.11
MMC Norilsk Nickel PJSC		1,575	485,335.39	0.34
OGK-2 PJSC		13,428,000	121,955.75	0.08
TGK-1 PJSC		332,900,000	69,201.34	0.05
Unipro PJSC		608,000	27,266.60	0.02
<b>Total Russia</b>			<b>9,381,395.62</b>	<b>6.48</b>
<b>South Africa</b>				
Astral Foods Ltd		57,274	892,952.56	0.62
Kumba Iron Ore Ltd		47,448	1,425,354.03	0.98
Telkom SA SOC Ltd		207,629	519,561.55	0.36
<b>Total South Africa</b>			<b>2,837,868.14</b>	<b>1.96</b>
<b>South Korea</b>				
BNK Financial Group Inc		37,214	246,495.08	0.17
Daelim Industrial Co Ltd		327	25,589.95	0.02
DongKook Pharmaceutical Co Ltd		985	75,890.44	0.05
GS Home Shopping Inc		3,543	455,263.77	0.31
Hana Financial Group Inc		13,367	426,514.15	0.29
Hankook Tire & Technology Co Ltd		9,821	284,918.97	0.20
Huchems Fine Chemical Corp		3,463	63,333.86	0.04
Hyundai Home Shopping Network Corp		598	41,626.53	0.03
Industrial Bank of Korea		107,119	1,093,003.73	0.76
JB Financial Group Co Ltd		76,958	365,341.70	0.25
KB Financial Group Inc		7,321	301,652.16	0.21
KEPCO Plant Service & Engineering Co Ltd		6,722	227,563.92	0.16
KT&G Corp		22,929	1,859,777.89	1.29
LF Corp		6,744	107,885.34	0.07
LS Industrial Systems Co Ltd		2,664	125,776.64	0.09
Maeil Dairies Co Ltd		1,101	81,971.64	0.06
NH Investment & Securities Co Ltd		8,178	89,809.85	0.06
Orange Life Insurance Ltd '144A'		15,868	386,254.65	0.27
Orion Corp/Republic of Korea		2,281	208,089.84	0.14
S&T Motiv Co Ltd		1,793	66,281.07	0.05
Samsung Card Co Ltd		4,893	163,318.60	0.11
Shinhan Financial Group Co Ltd		43,207	1,619,631.98	1.12
SK Hynix Inc		46,529	3,786,051.09	2.62
Woongjin Coway Co Ltd		12,594	1,013,879.86	0.70
Woori Financial Group Inc		29,750	298,413.24	0.21
Youngone Corp		4,098	121,368.41	0.08
<b>Total South Korea</b>			<b>13,535,704.36</b>	<b>9.36</b>
<b>Taiwan</b>				
Addcn Technology Co Ltd		6,000	48,144.62	0.03
Chicony Electronics Co Ltd		317,000	937,241.97	0.65

## SEB SICAV 1 - SEB Emerging Markets Fund

Security description	Maturity	Total holdings	Market value in USD	% of Net Assets
Chipbond Technology Corp		67,000	150,353.73	0.10
Chong Hong Construction Co Ltd		21,000	57,264.13	0.04
CTBC Financial Holding Co Ltd		283,000	212,006.15	0.15
Feng Hsin Steel Co Ltd		23,000	40,739.81	0.03
FLEXium Interconnect Inc		239,000	879,305.28	0.61
Foxconn Technology Co Ltd		143,000	317,095.27	0.22
Gamania Digital Entertainment Co Ltd		142,000	279,891.40	0.19
Highwealth Construction Corp		62,000	95,886.38	0.07
Jarlytec Co Ltd		197,000	606,062.90	0.42
Lite-On Technology Corp		827,000	1,373,996.28	0.95
Macronix International		1,077,000	1,341,117.43	0.93
Namchow Holdings Co Ltd		16,000	27,168.75	0.02
Pou Chen Corp		218,000	285,614.82	0.20
Powertech Technology Inc		361,000	1,207,960.59	0.83
Qualipoly Chemical Corp		40,950	37,494.37	0.02
Radiant Opto-Electronics Corp		490,000	1,949,590.89	1.35
Syncmold Enterprise Corp		17,000	51,620.63	0.03
Taiwan Semiconductor Manufacturing Co Ltd		323,000	3,597,312.32	2.49
Topco Scientific Co Ltd		23,000	81,556.19	0.06
Tripod Technology Corp		472,000	1,980,122.44	1.37
Yuanta Financial Holding Co Ltd		3,055,000	2,075,013.29	1.43
<b>Total Taiwan</b>			<b>17,632,559.64</b>	<b>12.19</b>
<b>Thailand</b>				
Advanced Info Service PCL NVDR		186,900	1,329,038.94	0.92
Kiatnakin Bank PCL NVDR		62,100	136,830.95	0.10
Major Cineplex Group PCL NVDR		58,700	49,482.12	0.03
Origin Property PCL NVDR		261,300	61,064.14	0.04
PTT Exploration & Production PCL NVDR		163,800	680,819.60	0.47
Somboon Advance Technology PCL NVDR		398,800	207,696.20	0.14
Thai Vegetable Oil PCL NVDR		1,650,300	1,515,110.80	1.05
<b>Total Thailand</b>			<b>3,980,042.75</b>	<b>2.75</b>
<b>Turkey</b>				
Enerjisa Enerji AS '144A'		674,483	836,538.39	0.58
Ford Otomotiv Sanayi AS		45,894	543,334.64	0.37
Koza Altin Isletmeleri AS		46,598	578,331.28	0.40
Tofas Turk Otomobil Fabrikasi AS		156,285	700,120.40	0.48
Trakya Cam Sanayii AS		116,262	68,869.64	0.05
<b>Total Turkey</b>			<b>2,727,194.35</b>	<b>1.88</b>
<b>United Arab Emirates</b>				
Abu Dhabi National Oil Co for Distribution PJSC		64,571	53,616.36	0.04
Air Arabia PJSC		95,616	41,128.95	0.03
Dubai Islamic Bank PJSC		1,254,795	1,895,945.15	1.31
Emirates NBD Bank PJSC		137,948	490,101.38	0.34
Emirates Telecommunications Group Co PJSC		95,415	426,530.23	0.29
<b>Total United Arab Emirates</b>			<b>2,907,322.07</b>	<b>2.01</b>
<b>United Kingdom</b>				
West China Cement Ltd		1,934,000	317,897.43	0.22
<b>Total United Kingdom</b>			<b>317,897.43</b>	<b>0.22</b>
<b>Total Shares</b>			<b>137,057,359.68</b>	<b>94.73</b>

## SEB SICAV 1 - SEB Emerging Markets Fund

Security description	Maturity	Total holdings	Market value in USD	% of Net Assets
<b>Investment Funds</b>				
<b>Equity Funds</b>				
<b>Ireland</b>				
iShares Core MSCI EM IMI UCITS ETF		67,665	2,048,896.20	1.42
<b>Total Ireland</b>			<b>2,048,896.20</b>	<b>1.42</b>
<b>Luxembourg</b>				
Amundi Msci Emerging Markets UCITS ETF		311,368	1,566,691.81	1.08
<b>Total Luxembourg</b>			<b>1,566,691.81</b>	<b>1.08</b>
<b>Total Equity Funds</b>			<b>3,615,588.01</b>	<b>2.50</b>
<b>Total Investment Funds</b>			<b>3,615,588.01</b>	<b>2.50</b>
<b>Total Transferable securities admitted to an official stock exchange listing and/or dealt within another regulated market</b>			<b>140,672,947.69</b>	<b>97.23</b>
<b>Other Transferable Securities</b>				
<b>Shares</b>				
<b>Cayman Islands</b>				
Powerlong Real Estate Holdings Ltd (Right) 06/01/2020		1,120	0.00	0.00
<b>Total Cayman Islands</b>			<b>0.00</b>	<b>0.00</b>
<b>Hong Kong</b>				
China Metal Recycling Holdings Ltd		190,200	0.00	0.00
<b>Total Hong Kong</b>			<b>0.00</b>	<b>0.00</b>
<b>Total Shares</b>			<b>0.00</b>	<b>0.00</b>
<b>Total Other Transferable Securities</b>			<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>			<b>140,672,947.69</b>	<b>97.23</b>
<b>Financial futures cleared with Skandinaviska Enskilda Banken AB (publ)</b>				
<b>Purchased financial futures contracts</b>	<b>Commitment in USD</b>			
ICE MSCI Emerging Markets Mini Index Future	2,513,475.00	20/03/20	45	54,990.11
<b>Total financial futures contracts (total unrealised)</b>				<b>54,990.11</b>
An amount of USD 1,160,133.51 is held as cash collateral for these positions.				

**SEB SICAV 1 - SEB Emerging Markets Fund**

	<b>Market value in USD</b>	<b>% of Net Assets</b>
<b>Cash at bank</b>		
Cash at bank	3,525,566.90	2.44
<b>Total Cash at bank</b>	<b>3,525,566.90</b>	<b>2.44</b>
<b>Other assets</b>		
Dividends receivable	495,406.40	0.34
Bank interest receivable on cash accounts	239.42	0.00
Receivable on subscriptions	18,439.76	0.01
<b>Total other assets</b>	<b>514,085.58</b>	<b>0.35</b>
<b>Liabilities</b>		
Management fees	(43,046.27)	(0.03)
Payable on redemptions	(35,533.43)	(0.02)
Other liabilities	(10,048.69)	(0.01)
<b>Total liabilities</b>	<b>(88,628.39)</b>	<b>(0.06)</b>
<b>Total Net Assets as at 31 December 2019</b>	<b>144,678,961.89</b>	<b>100.00</b>

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.

# Combined Statement of Operations

## For the year ended 31 December 2019

	SEB SICAV 1 - SEB Eastern Europe ex Russia Fund EUR	SEB SICAV 1 - SEB Emerging Markets Fund USD	SEB SICAV 1 - Combined USD
<b>Income</b>			
Investment income (note 1)	4,645,100.58	6,710,801.68	11,916,070.62
Bank interest on cash accounts	320,049.70	85,280.57	443,926.15
<b>Total income</b>	<b>4,965,150.28</b>	<b>6,796,082.25</b>	<b>12,359,996.77</b>
<b>Expenses</b>			
Management fees (note 2)	2,526,066.90	1,977,117.73	4,807,811.56
Taxe d'abonnement (note 3)	89,573.79	66,869.50	167,245.30
Bank interest on cash accounts	17,963.99	9,251.99	29,382.32
Other expenses	55,530.89	113,682.51	175,910.06
<b>Total expenses</b>	<b>2,689,135.57</b>	<b>2,166,921.73</b>	<b>5,180,349.24</b>
<b>Net income for the year</b>	<b>2,276,014.71</b>	<b>4,629,160.52</b>	<b>7,179,647.53</b>

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

# Combined Statement of Changes in Net Assets

## For the year ended 31 December 2019

	SEB SICAV 1 - SEB Eastern Europe ex Russia Fund EUR	SEB SICAV 1 - SEB Emerging Markets Fund USD	SEB SICAV 1 - Combined USD
<b>Net Assets at the beginning of the year</b>	<b>152,978,229.99</b>	<b>176,377,365.19</b>	<b>351,606,220.75</b>
<b>Net income for the year</b>	<b>2,276,014.71</b>	<b>4,629,160.52</b>	<b>7,179,647.53</b>
<b>Net realised gain / (loss) on:</b>			
- sales of securities	6,874,966.91	(2,357,692.88)	5,346,349.50
- foreign exchange	(537,012.19)	(604,391.06)	(1,206,163.36)
- financial futures contracts	–	117,633.16	117,633.16
<b>Total net realised gain/(loss)</b>	<b>6,337,954.72</b>	<b>(2,844,450.78)</b>	<b>4,257,819.30</b>
<b>Change in net unrealised appreciation / (depreciation) on:</b>			
- securities	550,249.33	20,094,497.85	20,711,103.60
- financial futures contracts	–	63,549.07	63,549.07
<b>Total change in net unrealised appreciation</b>	<b>550,249.33</b>	<b>20,158,046.92</b>	<b>20,774,652.67</b>
<b>Increase in Net Assets as a result of operations</b>	<b>9,164,218.76</b>	<b>21,942,756.66</b>	<b>32,212,119.50</b>
<b>Proceeds on issues of shares</b>	<b>25,173,784.08</b>	<b>78,383,383.28</b>	<b>106,592,958.97</b>
<b>Payment on redemptions of shares</b>	<b>(69,478,965.79)</b>	<b>(132,024,543.24)</b>	<b>(209,882,212.08)</b>
<b>Foreign exchange differences</b>	<b>–</b>	<b>–</b>	<b>(3,802,464.36)</b>
<b>Total Net Assets as at 31 December 2019</b>	<b>117,837,267.04</b>	<b>144,678,961.89</b>	<b>276,726,622.78</b>

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

# Combined Statement of Net Assets

## As at 31 December 2019

	SEB SICAV 1 - SEB Eastern Europe ex Russia Fund EUR	SEB SICAV 1 - SEB Emerging Markets Fund USD	SEB SICAV 1 - Combined USD
<b>Assets</b>			
Portfolio at cost	119,790,288.12	129,546,479.70	263,782,683.08
Unrealised appreciation / (depreciation)	(7,660,195.32)	11,126,467.99	2,542,503.85
<b>Portfolio at market value (note 1)</b>	<b>112,130,092.80</b>	<b>140,672,947.69</b>	<b>266,325,186.93</b>
Unrealised appreciation on financial futures contracts	–	54,990.11	54,990.11
Receivable interest and / or dividends	16,257.38	495,645.82	513,863.73
Cash at bank and at broker	5,799,206.16	3,525,566.90	10,024,118.91
Other assets	24,208.87	18,439.76	45,568.06
<b>Total Assets</b>	<b>117,969,765.21</b>	<b>144,767,590.28</b>	<b>276,963,727.74</b>
<b>Liabilities</b>			
Bank overdraft	(3.61)	–	(4.04)
Other liabilities	(132,494.56)	(88,628.39)	(237,100.92)
<b>Total Liabilities</b>	<b>(132,498.17)</b>	<b>(88,628.39)</b>	<b>(237,104.96)</b>
<b>Total Net Assets as at 31 December 2019</b>	<b>117,837,267.04</b>	<b>144,678,961.89</b>	<b>276,726,622.78</b>
"C (EUR)" shares outstanding as at 31 December 2019	33,279,429.2720	50,029.4970	–
"C (USD)" shares outstanding as at 31 December 2019	–	19,654,548.0920	–
"UC (EUR)" shares outstanding as at 31 December 2019	10.0000	95,699.1240	–
"ZC (EUR)" shares outstanding as at 31 December 2019	–	499,025.0920	–
Net Asset Value per "C (EUR)" share as at 31 December 2019	3.541	130.241	–
Net Asset Value per "C (USD)" share as at 31 December 2019	–	3.288	–
Net Asset Value per "UC (EUR)" share as at 31 December 2019	106.662	106.934	–
Net Asset Value per "ZC (EUR)" share as at 31 December 2019	–	109.621	–

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

# Statistical Information

## As at 31 December 2019

	SEB SICAV 1 - SEB Eastern Europe ex Russia Fund EUR	SEB SICAV 1 - SEB Emerging Markets Fund USD	SEB SICAV 1 - Combined USD
<b>Number of "C (EUR)" shares outstanding</b>			
as at 31 December 2019	33,279,429.2720	50,029.4970	–
as at 31 December 2018	46,139,535.1290	112,863.7620	–
as at 31 December 2017	61,016,957.9430	120,076.5020	–
<b>Number of "C (USD)" shares outstanding</b>			
as at 31 December 2019	–	19,654,548.0920	–
as at 31 December 2018	–	25,908,740.6980	–
as at 31 December 2017	–	55,418,722.0050	–
<b>Number of "UC (EUR)" shares outstanding</b>			
as at 31 December 2019	10.0000	95,699.1240	–
as at 31 December 2018	1,463.7410	80,105.0450	–
as at 31 December 2017	–	–	–
<b>Number of "ZC (EUR)" shares outstanding</b>			
as at 31 December 2019	–	499,025.0920	–
as at 31 December 2018	–	767,504.9630	–
as at 31 December 2017	–	10.0000	–
<b>Total Net Assets</b>			
as at 31 December 2019	117,837,267.04	144,678,961.89	276,726,622.78
as at 31 December 2018	152,978,229.99	176,377,365.19	351,606,220.75
as at 31 December 2017	222,213,823.90	201,816,557.07	468,323,300.97
<b>Net Asset Value per "C (EUR)" share</b>			
as at 31 December 2019	3.541	130.241	–
as at 31 December 2018	3.312	110.199	–
as at 31 December 2017	3.642	122.767	–
<b>Net Asset Value per "C (USD)" share</b>			
as at 31 December 2019	–	3.288	–
as at 31 December 2018	–	2.840	–
as at 31 December 2017	–	3.322	–
<b>Net Asset Value per "UC (EUR)" share</b>			
as at 31 December 2019	106.662	106.934	–
as at 31 December 2018	98.869	89.695	–
as at 31 December 2017	–	–	–
<b>Net Asset Value per "ZC (EUR)" share</b>			
as at 31 December 2019	–	109.621	–
as at 31 December 2018	–	91.583	–
as at 31 December 2017	–	100.751	–

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

# Notes to the Financial Statements

## As at 31 December 2019

### **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 last official Net Asset Value of the year which has been calculated on 30 December 2019 with the prices of that date.

#### **Investments:**

a) Transferable securities and money market instruments, which are officially listed on a stock exchange, are valued at the last available price.

b) Transferable securities and money market instruments, which are not officially listed on a stock exchange, but which are traded on another regulated market are valued at a price no lower than the bid price and no higher than the ask price at the time of the valuation and at which the Company considers to be an appropriate market price.

c) Transferable securities and money market instruments quoted or traded on several markets are valued on the basis of the last available price on the principal market for the transferable securities or money market instruments in question, unless these prices are not representative.

d) 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 a), b) and c) 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 Company, following generally accepted valuation principles.

e) Units or shares of UCI(TS) are valued at the last available Net Asset Value obtained from the Administrative Agent of such UCI(TS) except for Exchange Traded Funds which are valued at the latest available price found on the main stock exchange on which they are listed.

f) Derivatives instruments traded on regulated markets or stock exchanges are valued at last available settlement prices of these contracts on regulated markets or stock exchanges on which the derivative instruments are traded by the Company.

Derivatives instruments not traded on regulated markets or on stock exchanges are valued at their net liquidating value determined, pursuant to the policies established in good faith by the Company on a basis consistently applied for each different variety of contracts, in accordance with generally recognised principles, taking into consideration the generally accepted accounting practices, the customary practices in line with the market and the interests of the Shareholders.

g) Financial Futures Contracts, which are not matured, are valued at valuation date at market rates prevailing at this date and resulting unrealised appreciation or depreciation are posted as change in net unrealised appreciation/(depreciation) on financial future contracts to the Combined Statement of Changes in Net Assets.

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 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 Company's Assets.

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

**Swing pricing:**

The Investment Manager needs to perform transactions in order to uphold the desired asset allocation as a result of the flows in and out of the Sub-Funds. While performing these transactions brokerage and transaction costs will occur. Acting in the Shareholders' interest, the Net Asset Value will be adjusted upwards in case of large inflows and downwards in case of large outflows if on any Valuation Day the aggregate inflows and outflows in all Classes of a Sub-Fund result in a net increase or decrease of shares which exceeds a threshold set by the Board of Directors of the Company from time to time (relating to the cost of market dealing for the Sub-Fund), the Net Asset Value per share of the relevant Sub-Fund will be adjusted to reflect both the estimated fiscal charges and dealing costs (brokerage and transaction costs) that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the respective Sub-Fund invests following the net inflows/outflows of the Sub-Fund. The adjustment will be an addition when the net movement results in a net inflows of the Sub-Fund and a deduction when it results in a net outflows. Adjustments made during the year are recorded in "Proceeds on issues of shares" and "Payment on redemptions of shares" in the Combined Statement of Changes in Net Assets.

The Board of Directors of the Company or swing price committee may also decide a maximum swing factor to apply to a specific Sub-Fund. The list of Sub-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.

<b>Umbrella</b>	<b>Sub-Funds</b>	<b>Maximum applied adjustment</b>
SEB SICAV 1	SEB SICAV 1 - SEB Eastern Europe ex Russia Fund	0.99% of NAV
SEB SICAV 1	SEB SICAV 1 - SEB Emerging Markets Fund	0.99% of NAV

No swing pricing adjustment has been applied to the year end Net Asset Value per share calculated on 30 December 2019.

**Currency translation:**

All assets denominated in a different currency to the respective Sub-Funds' currency are converted into this respective Sub-Funds' currency at the last available exchange rate.

Separate accounts are maintained for the Sub-Fund in the currency in which the Net Asset Value per share 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 Sub-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.

The combined total is translated into USD at the year end date exchange rate.

The Sub-Funds are priced at either intraday or close of business. The exchange rates are presented in line with when these Sub-Funds are priced.

As at 30 December 2019, the intraday exchange rates for SEB SICAV 1 - SEB Eastern Europe ex Russia Fund and for the combined figures were:

1 BGN	=	0.572935510 USD	1 NOK	=	0.113752115 USD
1 CZK	=	0.044005564 USD	1 PLN	=	0.263035191 USD
1 EUR	=	1.120593376 USD	1 RON	=	0.234266669 USD
1 GBP	=	1.314400001 USD	1 RSD	=	0.009532889 USD
1 HRK	=	0.150452709 USD	1 SEK	=	0.107178095 USD
1 HUF	=	0.003387187 USD	1 TRY	=	0.168257199 USD

As at 30 December 2019, the close of business exchange rates for SEB SICAV 1 - SEB Emerging Markets Fund were as follows:

1 AED	=	0.272245059 USD	1 KRW	=	0.000864715 USD
1 BRL	=	0.248611295 USD	1 MXN	=	0.053018006 USD
1 CLP	=	0.001330876 USD	1 MYR	=	0.243516773 USD
1 CNY	=	0.143105019 USD	1 NOK	=	0.113904150 USD
1 COP	=	0.000305018 USD	1 PHP	=	0.019745292 USD
1 CZK	=	0.044054484 USD	1 PLN	=	0.263230792 USD
1 EGP	=	0.062344152 USD	1 RUB	=	0.016131790 USD
1 EUR	=	1.120333191 USD	1 SEK	=	0.107308271 USD
1 GBP	=	1.311350000 USD	1 SGD	=	0.741629906 USD
1 HKD	=	0.128416424 USD	1 THB	=	0.033384802 USD
1 HUF	=	0.003392327 USD	1 TRY	=	0.168285766 USD
1 IDR	=	0.000071816 USD	1 TWD	=	0.033295037 USD
1 INR	=	0.014021557 USD	1 ZAR	=	0.071029105 USD

#### 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

In payment for its services, the Management Company receives an annual rate of:

- 1.75% is charged on SEB SICAV 1 - SEB Eastern Europe ex Russia Fund ("C (EUR)" shares) (maximum rate: 1.75%)
- 0.88% is charged on SEB SICAV 1 - SEB Eastern Europe ex Russia Fund ("UC (EUR)" shares) (maximum rate: 1.75%)
- 1.75% is charged on SEB SICAV 1 - SEB Emerging Markets Fund ("C (EUR)" shares) (maximum rate: 1.75%)
- 1.75% is charged on SEB SICAV 1 - SEB Emerging Markets Fund ("C (USD)" shares) (maximum rate: 1.75%)
- 0.88% is charged on SEB SICAV 1 - SEB Emerging Markets Fund ("UC (EUR)" shares) (maximum rate: 1.75%)
- 0.53% is charged on SEB SICAV 1 - SEB Emerging Markets Fund ("ZC (EUR)" shares) (maximum rate: 1.75%)

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

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

#### Note 3. Taxation

The Company 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 Sub-Funds at the end of the relevant calendar quarter. Investments by the Sub-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 Sub-Fund serving as basis for the calculation of this tax to be paid by the Sub-Fund.

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

Interest, dividend and other income realised by the Sub-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.

### **Indian Tax**

Each Sub-Fund may be subject to corporation taxes in certain countries in which it invests. Capital gains realised when disposing of Indian securities held by the Sub-Funds are subject to capital gains tax in India, which is disclosed in the Combined Statement of Operations under the heading "Other expenses". The tax is computed on net realised gains, and realised losses in excess of gains may under certain conditions be carried forward for up to 8 years to offset future gains. In this respect, short term capital losses (i.e. when shares are held for less than 12 months) can offset either long term or short term capital gains whereas long term capital losses may only offset long term capital gains. Indian tax law imposes a tax of 15% on net realised gains from Indian securities sold within one year from the date of purchase and a tax of 10% if the Indian securities are sold more than 12 months after the acquisition. This tax of 10% on long term capital gains realised on Indian securities has been introduced with effect from 1 April 2018. As at 31 December 2018, no tax accrual was booked in relation to unrealised capital gains tax on Indian securities, as based on an analysis performed, the potential tax liability on Indian securities was not significant on the Net Asset Values of the concerned Sub-Funds.

In case the Company incurred a total realised loss on security sales as at fiscal year-end, the Company could recover the taxable amount paid during the year on net realised gains, provided that a claim to the Tax Administration is introduced within 2 years as from end of the financial years.

### **Note 4. Transaction Fees**

Transaction fees incurred by the Company 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.

In line with bond market practice, a bid-offer spread is applied when buying or selling securities and other financial instruments. Consequently, in any given transaction, there will be a difference between the purchase and sale prices quoted by the broker, which represents the broker's remuneration.

As at 31 December 2019, the transaction fees were as follows:

SEB SICAV 1 - SEB Eastern Europe ex Russia Fund	426,948.85	EUR
SEB SICAV 1 - SEB Emerging Markets Fund	737,163.21	USD

### **Note 5. Significant Events during the year**

#### **Auditor**

Ernst and Young S.A. were appointed Auditor of the Company effective for the financial year commencing 1 January 2019.

Ernst and Young A.B. were appointed Auditor of the Management Company effective for the financial year commencing 1 January 2019.

#### **Directors**

There were changes to the Board of Directors of the Management Company during the year. Please refer to the Organisation section on page 3 and 4 for detail.

#### **Prospectus**

A new prospectus was issued in October 2019.

There were no other significant events during the year.

## **Note 6. Subsequent Events after the year end**

### **Depository**

With effect on 2 January 2020, Skandinaviska Enskilda Banken S.A. merged with its parent company Skandinaviska Enskilda Banken AB (publ) ("SEB AB"). As from 2 January 2020, the depository duties undertaken pursuant to the Depository Agreement was taken over in full by SEB AB acting through the Luxembourg Branch, Skandinaviska Enskilda Banken AB (publ), Luxembourg Branch.

### **Prospectus**

A new prospectus was issued in January 2020.

There were no other subsequent events after the year end.

## Independent auditor's report

To the Shareholders of  
SEB SICAV 1  
4, rue Peternelchen  
L-2370 Howald, Luxembourg

### Opinion

We have audited the financial statements of SEB SICAV 1 (the "Fund") and each of its sub-funds, which comprise the statement of net assets and the schedule of investments as at 31 December 2019, 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 and each of its sub-funds as at 31 December 2019, and of the results of their operations and changes in their 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 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 Ethics Standards Board for Accountants' Code of Ethics for Professional 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 matter

The financial statements of SEB SICAV 1 for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 27 March 2019.

### Other information

The Board of Directors of the Fund 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 of the Fund 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 of the Fund 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 of the Fund is responsible for assessing the Fund's and each of its sub-funds' 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 of the Fund either intends to liquidate the Fund or any of its sub-funds 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 of the Fund.
- Conclude on the appropriateness of Board of Directors of the Fund's 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 or any of its sub-funds' 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 or any of its sub-funds to cease to continue as a going concern.

**Responsibilities of the “réviseur d’entreprises agréé” for the audit of the financial statements (continued)**

- 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, 31 March 2020

# 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 SICAV 1, 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 SICAV 1 - SEB Eastern Europe ex Russia Fund	100%	0.00%	0.00%	0.00%
SEB SICAV 1 – SEB Emerging Markets Fund	100%	1.10%	2.79%	18.79%

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 (the Management Company) 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 shareholders.

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 shareholders' 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 shareholders 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 shareholders. 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.

<b>Regulated staff</b>	<b>Paid remuneration and benefits, 2019 (thousand)</b>
	<b>USD</b>
- Employees in leading strategic positions	2,107
- Employees responsible for control	403
- Risk-takers	12,056
- Employees whose total remuneration amounts to or exceeds the total remuneration to any of the Executive Board	-
	<b>Total remuneration paid (thousand)</b>
	<b>USD</b>
- All employees (fixed remuneration)	18,566
- All employees (variable remuneration)	4,431
- Executive management and employees that significantly affect the risk profile of the alternative investment fund	14,163
<i>Number of employees during the year</i>	<i>180</i>

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