SEBinvest Morgan Stanley Global Opportunity

Q4 2020

SEB

Portfolio summary and performance

Fund	SEBinvest Morgan Stanley Global Opportunity Fund
Benchmark	MSCI All Country World Index
Portfolio Manager	Kristian Heugh (2001)
Guidelines	The Portfolio seeks long-term capital appreciation by investing globally in high-quality established and emerging companies that the investment team believes are undervalued at the time of purchase. To achieve its objective, the investment team seeks companies with sustainable competitive advantages and long-term growth that creates value, rather than focusing on short-term events, with stock selection informed by rigorous fundamental analysis.

Characteristics			
Inception Date	30/11/2010	**Currency**	USD
Weighted Av Mkt Cap Fund	280.0bn	**Return on invested capital Fund**	97.30%
Weighted Av Mkt Cap Benchmark	2bn.	**Return on invested capital Benchmark**	17.88%
Number of holdings	38	**Return on assets Fund**	6.47%
NAV ending Month*	179.57	**Return on assets Benchmark**	3.35%
		Active share	89.69%

1. This is the official NAV. The NAV used in the performance calculation has been corrected for adjustments recorded after the end of the month.

NOTE: The Global Opportunity Fund is a master-feeder fund and the return and characteristics is based on the underlying fond.

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Portfolio summary and performance – continued

Performance* – DKK Share Class			
	Q4	**YTD**	**2019**
Gross of fee	7.54%	41.47%	38.59%
Net of fee	7.35%	40.14%	37.26%
MSCI All Country World Index	9.91%	6.24%	29.10%
Excess return (Gross of fees) %-point	**-2.36**	**35.23**	**9.49**

Statistics – 3 years annualized		
	Master fund	**Index**
Excess return (%)	15.48	--
Alpha (%)	15.81	--
Standard deviation	19.90	18.38
Information ratio	1.69	
Sharpe ratio	1.21	0.46
Tracking error (%)	9.19	--

NOTE:

*The performance data reported is of the feeder fund SEBinvest Morgan Stanley Global Opportunity Fund.

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Performance commentary

Quarterly performance commentary – SEBinvest Global Opportunity Fund

Performance review

In the three month period ending 31 December 2020, the Fund's Z shares returned 11.97% (net of fees)1, while the benchmark returned 14.68%.

The Fund closed to new investors effective December 31, 2020, to preserve the ability of the investment team to manage the Fund effectively for current shareholders. For more details, please visit the fund website.

The long-term investment horizon and conviction-weighted approach embraced by the Global Opportunity team can result in periods of performance deviation from the benchmark and peers. Over time, this has led to the strong record we have developed over our product set. The Fund underperformed the MSCI All Country ("AC") World Index this period due to unfavourable stock selection and sector allocation.

Our team continues to focus on bottom-up stock selection and the long-term outlook for companies owned in the port-folio; accordingly, we have had limited turnover in the portfolio to date, and we continue to find new ideas for inclusion in the portfolio that meet our strict criteria for quality and long-term value creation.

Global equities rallied following the U.S. election and optimism around successful COVID-19 vaccine trials. Performance was led by the more cyclical financials, energy and materials sectors, while consumer staples, health care and real estate underperformed the MSCI AC World Index.

Stock selection in information technology was the greatest overall detractor from the relative performance of the portfolio, on the back of weakness in shares of top individual detractor Zoom Video Communications and cloud software platform salesforce.com. Zoom is a cloud-based communications platform that connects people through video, voice, chat and con-tent sharing. We believe that Zoom is unique due to its ease of use, architectural advantage and high interoperability with existing hardware, and its freemium business model, which has enabled viral adoption of its product. Zoom can benefit from secular tailwinds such as underutilization of video in business communications, lower 5G cost per unit of data and, most importantly, long-term behavioural changes, as an increasing number of meetings may take place virtually.

Stock selection in consumer discretionary detracted from relative performance, as underperformance in shares of Chinese social commerce platform Alibaba Group and tutorial provider TAL Education offset strength in shares of online luxury marketplace Farfetch Limited and Italian luxury brand Moncler SpA. Shares in Alibaba declined in response to increased regulatory concerns. We continue to believe that Alibaba is unique because of the powerful network effect of its online marketplaces Taobao and Tmall, where 881 million monthly active users engage in consumer product reviews and purchases (source: Company data as of 5 November 2020). We believe Alibaba can monetize the uniqueness of its platform through e-commerce, online advertising and cloud computing. Farfetch has continued to benefit from the accelerated digital luxury transition and announced a partnership with Alibaba and Richemont to expand luxury shopping channels in China.

Performance commentary

Quarterly performance commentary - continued

Farfetch operates the largest global marketplace at scale for fashion and luxury goods, with high return on invested capital in a fragmented industry given its capital-light business model that connects buyers and sellers on the online platform. Based on our industry analysis, we believe the company can continue to benefit from the digital transition trend and growing demand from millennials.

Stock selection in communication services was the greatest overall contributor to relative performance during the period, on strength in shares of entertainment leader Walt Disney. Disney announced strong operating results, including 86 mil-lion subscribers to its Disney+ streaming service (source: Company data as of 10 December 2020). We believe that Disney is unique because of its high quality and sustainable intellectual property, with multiple channels of monetization creating a flywheel effect that reinforces the strength and popularity of its content. Disney is currently transitioning to a direct-to-consumer model that we believe may be margin accretive in the long term. Disney's superior brand value can be demonstrated by the strong pricing power in its theme parks, where historically it has been able to raise ticket prices above inflation.

Stock selection in industrials contributed positively, with shares of global ride-booking and food-delivery platform Uber Technologies the top individual contributor during the period. We believe that Uber is unique because of its strong network effects and scale, yet it is still in the early stages of penetrating its total addressable market. Uber's competitive advantage over other pure ride-booking or food-delivery platforms is through synergies, as evidenced by a higher level of engagement for consumers who use both ride-booking and food-delivery products as compared to those who only use a single offering.

Stock selection in financials contributed positively, driven by a gain in shares of HDFC Bank Limited, India's largest pri-vate sector bank by assets. HDFC Bank has an outstanding liability and deposit franchise, driven by its long operating history, strong brand, extensive branch network and focus on customer service. HDFC Bank also has the largest personal loan and credit card franchise, with strong risk management processes. We believe that HDFC Bank's cost leadership advantage, coupled with industry-leading digital capabilities, can enable it to continue taking loan and deposit market share amid public sector bank weakness.

In health care, shares of Veeva Systems modestly detracted from relative performance. The portfolio's sector underweight position in financials, energy and materials contributed negatively, while sector underweight positions in health care and consumer staples contributed positively to relative performance during the period.

Outlook

As a team, we continue to focus on bottom-up stock selection and the long-term outlook for companies owned in the portfolio. We assess company prospects over a three- to five-year time horizon and own a portfolio of what we believe are undervalued, high quality companies with diverse business drivers not tied to any particular market environment.

Portfolio exposure

Investment Performance USD

Cumulative (%)	1 month	3 months	YTD	1 year
Master fund	3.58	11.97	55.47	55.47
MSCI All Country World Index	4.64	14.68	16.25	16.25

Annualised (% p.a.)	3 years	5 years	10 years	Inception
Master fund	25.55	24.38	18.81	19.09
MSCI All Country World Index	10.06	12.26	9.13	9.82

Yearly Return

	Master fund	MSCI All Country World Index
2012	10.00%	16.13%
2013	39.80%	22.80%
2014	8.38%	4.16%
2015	19.78%	-2.36%
2016	0.39%	7.89%
2017	49.84%	23.97%
2018	-6.48%	-9.41%
2019	36.10%	26.60%
2020	55.57%	16.25%

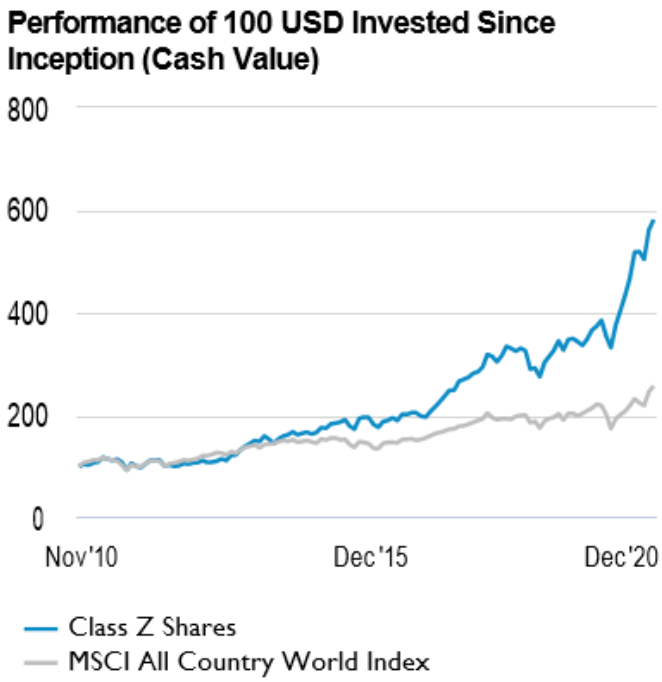
Portfolio exposure

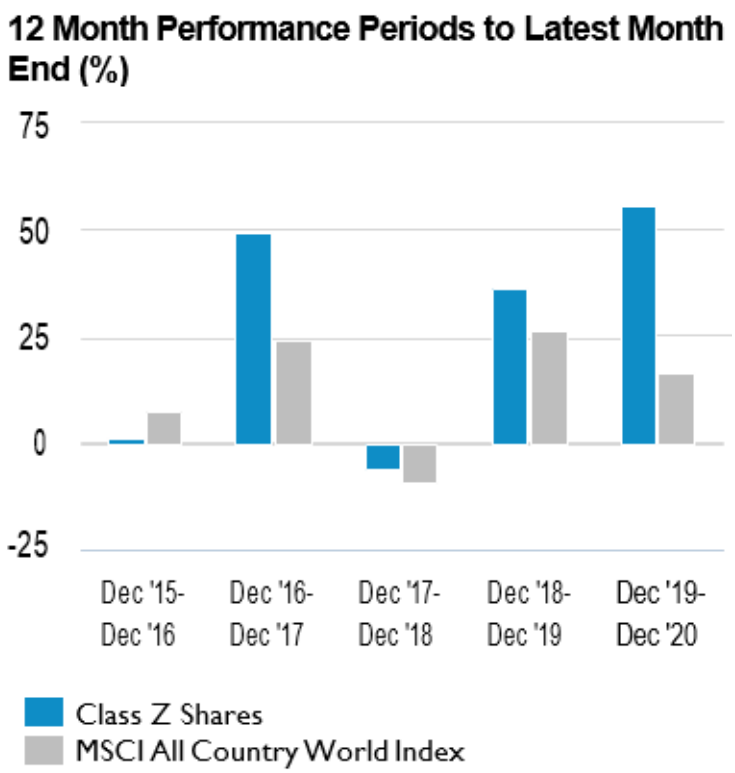
Top Holdings (% of Total Net Assets)

Holdings	Master fund (%)	MSCI A (%)
Mastercard Inc.	6.66	0.54
Amazon.com Inc	6.52	2.34
Uber Technologies Inc	5.80	0.08
Servicenow Inc	5.18	0.18
Tal Education Group	4.44	0.05
Hdfc Bank Ltd	4.35	-
Visa Inc	4.07	0.62
Dsv Panalpina A/S	3.85	0.06
Meituan	3.67	0.23
Walt Disney Company (the)	3.52	0.55
Total	**48.06**	**--**

Portfolio exposure

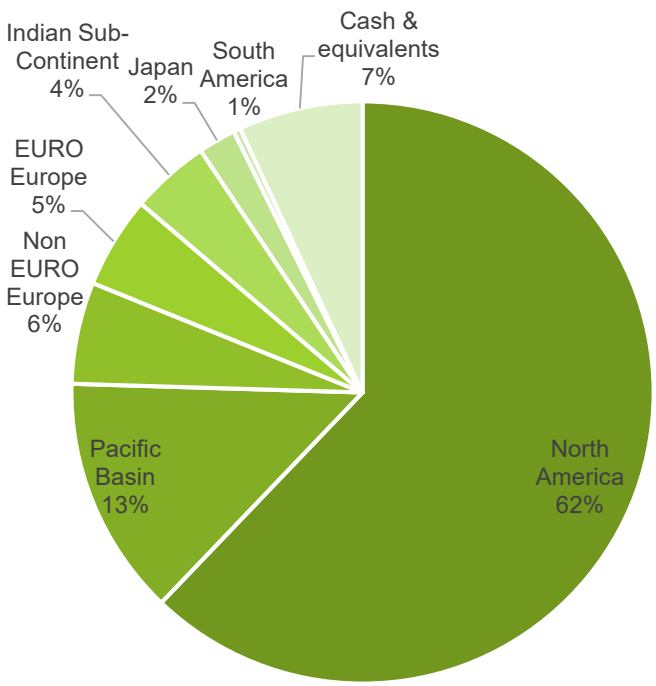
Master fund (% net of fees) vs. Index in USD



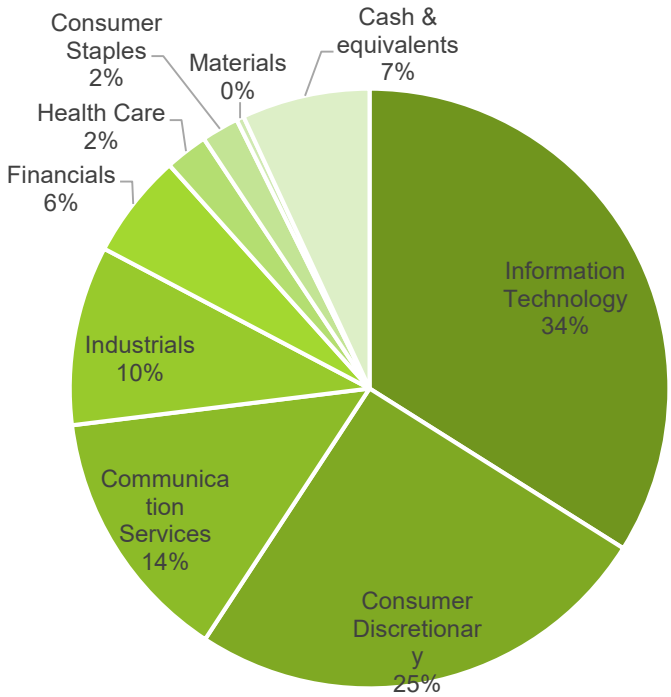


Portfolio exposure

Regional Exposure and Sector Allocation (% of total net assets)



Region	Vægt (%)
North America	62
Pacific Basin	13.29
Non EURO Europe	5.64
EURO Europe	5.09
Indian Sub-Continent	4.37
Japan	2.08
South America	0.39
Cash & equivalents	6.89



Sektor	Vægt (%)
Consumer Discretionary	33.86
Information Technology	25.23
Communication Services	13.77
Consumer Staples	9.65
Industrials	5.64
Financials	2.3
Materials	2.01
Health Care	0.4
Cash & equivalents	6.89