

SEB Investment Management AB

Annual Report 2019

This document is an unofficial translation of the official Annual Report of SEB Investment Management AB for the 2019 financial year.

SEB

Contents

	Page
President's comment	3
Board of Directors' report	5
Income statement	9
Balance sheet	10
Statement of changes in equity	11
Cash flow statement	12
Notes	13
Signatures	26

President's comment

In early 2019 the US Federal Reserve changed its view on the economy and communicated that it intended to cut interest rates. This led to an environment of falling global interest rates, which supported global equity markets. The development of the financial markets in 2019 was greatly influenced by the US-China trade negotiations. During the beginning of the summer the markets initially had a more pessimistic view of the progress of the trade negotiations, which influenced risk sentiment. Negotiations were resumed in the autumn, buoying risk appetite and benefitting the global equity markets. Despite the somewhat weaker macroeconomic backdrop, financial markets exhibited a positive trend in general and 2019 turned out to be a standout year for both equity, fixed income and mixed funds.

The total assets under management grew despite net outflows of SEK seven billion during the year. Funds and mandates increased by a total of SEK 103bn, amounting to SEK 843bn at year-end 2019, whereof SEK 110bn was market driven. Revenues for 2019 remained stable compared to the previous year, as margin pressure and lower performance fees offset the benefit from rising assets under management. Costs increased by 3 per cent during the same period. Taken together, this led to a 9 per cent lower operating result for 2019 compared to the previous year.

The aim to include sustainability throughout all investment processes characterizes the business. The company uses positive selection (within the quantitative field as well) to identify and overweight companies that work sustainably in relation to a range of environmental factors. During 2019 several sustainability funds were launched, including SEB FRN Fond Hållbar, focusing on Nordic corporate bonds, and Arkadia, for institutional investors, invests in intelligent construction of rental units, primarily using wood and with environmentally friendly heating systems. In 2019, a stricter exclusion criteria was adopted for all SEB funds, which means that in addition to existing criteria, funds now exclude tobacco companies as well as companies with

more than 5 per cent of turnover from thermal coal production.

At the time of writing, 35 per cent of Investment Management's funds are managed according to stricter sustainability criteria which is an increase of 4 bps since 2018. This has been achieved by existing funds and creating new sustainable funds.

Looking at the performance of the various asset classes, the year's result was mixed. On the equity side, the fundamentally managed strategies had a strong year, particularly in Sweden and the Nordics, as well as in Europe. All Swedish, Nordic and European equity funds beat their respective benchmarks. The exceptions were Sverige Expanderad and Swedish Value.

The small cap funds, Småbolagsfonderna, performed especially well. Two of Sweden's leading financial actors, media company Dagens Industri, and online bank Avanza, recognised the fund as the best Swedish fund in 2019. In terms of fundamental equities, the eastern European funds enjoyed robust performances results. The result for the quantitatively managed equity funds was not as positive in 2019 – the funds performed below their benchmarks.

On the fixed income side, the portfolio management's rate strategies generally performed above the benchmark in the category short interest rates (shorter than 12 months), driven by FRN Hållbar, Likviditetsfonden, Korträntefonden (in both EUR and SEK) and Företagsobligation Hållbar. (its benchmark was introduced in March 2018) Funds invested in long interest rates (longer than 12 months) performed somewhat below benchmark. Also in the global credit side, the result was below benchmark. In terms of alternative asset management, portfolio management in the areas of real estate and liquid private equity performed better than their respective hurdle rates. Additionally, realisations made by portfolio management for the illiquid private equity in 2019 vastly exceeded predefined hurdle rates. However, the performance of one quite sizable mandate

was poorer. Other alternative asset management strategies had mixed results.

During 2019 the project of updating the portfolio management systems continued, phasing out older systems and replacing them with SimCorp. Furthermore, an initial research platform that enables increased cooperation between the portfolio management teams was introduced. A new execution management system was introduced for the trading team.

Several organisational improvements were made last year and by the end of 2019, the Company had several new senior management members, a new legal function, and a new compliance function. After a thorough re-organisation in the fourth quarter the CIO function was replaced with a more streamlined reporting structure. Asset class heads and department heads report directly to our CEO. The product functions and business development functions were merged into one unit, and a separate information &

client services department was created. These structural changes will enable us to achieve our goals of meeting the increasing demands from customers.

To achieve a more robust portfolio management team in the quantitative equity space, a team from the LC&FI division will be moved into the fund company. A merge of the Danish portfolio management organisation into our company will be made. Both these changes are as of 1 January 2020.

In summary, the year had mixed portfolio management results and a more challenging financial result. However, improvements in sustainability, technology and company structure are important goals achieved. With this in mind, the company move into 2020 with all the pre-requisites needed to deliver on the strategic goals set.

Javiera Ragnartz

Board of Directors' report

The Board of Directors and President of SEB Investment Management AB ("the Company") herewith submit the Annual Report for the 2019 financial year.

Information about operations

The Company is a fund company with authorization to operate fund management according to the Swedish UCITS Act (2004:46) for UCITS funds and to manage Alternative investment funds according to The Alternative Investment Fund Managers Act (2013:561). In addition, the Company also has several discretionary mandate assignments and advisory assignments. The Company conducts its operation in Sweden, Luxembourg and Finland.

Since 1 July 2009 the Company has been a wholly owned subsidiary of Skandinaviska Enskilda Banken AB (publ) ("SEB"), corporate registration number 502032-9081 and is based in Solna. The Company has two foreign branches in Luxembourg and Finland, respectively.

As per the balance sheet date the Company manages 52 (53) Sweden-registered investment funds, of which 3 (2) are managed externally, 64 (69) Luxembourg-registered sub-funds, of which 8 (2) are managed externally, and 16 (18) Finland-registered investment funds, of which 1 (1) is managed externally, see note 16.

Operations during the financial year

During the financial year, two new Sweden-registered funds were started, and three Sweden-registered funds were merged. One Luxembourg-registered fund was started, and six Luxembourg-registered funds were closed. One Finland-registered funds was started, one was merged with a Finnish fund and one fund was merged with a Swedish fund.

During 2019 the sustainability focus has intensified. Several new funds with sustainability focus have been launched, e.g. a new real estate fund and a new corporate bond fund as well as changing existing funds to an increased sustainability focus. Stricter exclusion criteria for both tobacco and thermal coal has been implemented for all funds. Corporate dialogues with sustainability was started with focus on e.g. climate change and human rights.

2019 has also meant changed is the board. Two members has left and in August three new was elected. The company got a new president in May.

The result during the financial year.

The operating profit decreased with SEK 133 million, 9 per cent, compared with 2017 and amounted to SEK 1,279 million.

Net commission, net sales less selling costs, decreased with SEK 69 million, 3 per cent, despite increased asset values in managed capital. Despite favorable market developments, earnings have been subdued by costumers continuing to invest inflows in products with lower margins. During the year, the Company had decreased performance-based income compared with the previous year.

The Company's administrative expenses have increased with SEK 100 million, 15 per cent, due to increased staff costs, IT-costs and information services.

The total assets under management increased by SEK 103 billion and amounted to SEK 843 billion at the end of the year.

Report of the Directors

(cont.)

Future development, risks and uncertainties

The Company works actively to offer a well-diversified product portfolio to meet the demand in the market.

In order to best meet future demands, a reorganization has been performed during the year. In addition, a new team of managers has been transferred from SEB AB.

Even in the future, the strategic work will continue to lead to further launches of new products and existing funds will be merged or closed.

The Company's operations include a risk of decreased earnings of commission fees due to the market development, interest rates and currency development, as this can lead to lower asset values. The general price pressure in the market is another factor of uncertainty for the future development, which might lead to lower margins.

Sustainability disclosures

SEB has produced a Sustainability Report, which is included in SEB's Annual Report, on www.sebgroup.se/eng

Significant events after the end of the financial year

As of 1st January 2020, a new branch has been established in Denmark and the SEB Danish branch Investment Management business has been transferred to the Company.

Report of the Directors (cont.)

Five-year summary

Income Statement

SEK k	2019	2018	2017	2016	2015
Net sales	5,972,825	5,958,643	5,664,219	4,687,103	3,220,326
Total income	5,972,825	5,958,643	5,664,219	4,687,103	3,220,326
Selling costs	-3,948,994	-3,866,276	-4,111,314	-3,346,825	-1,959,935
Other external expenses	-414,109	-349,061	-272,924	-357,830	-304,388
Staff costs	-352,503	-317,941	-290,847	-274,870	-246,162
Other operating income	22,204			6,540	
Other operating expenses	22,204			6,540	
Total expenses	-4,693,402	-4,546,609	-4,677,982	-3,972,985	-2,510,485
Resultat från finansiella poster	-3,123	-10,528	-4,092	-3284	-1255
Profit from net financial income	1,276,300	1,401,506	982,145	739,686	708,586
Appropriations	-987,675	-993,223	-844,039	-596,813	-663,586
Taxes	-61,594	-89,863	-29,293	-3,325	-3,300
Net profit	227,032	318,420	108,813	139,548	41,700

Balance sheet

SEK k	2019	2018	2017	2016	2015
Intangible assets	57,290	48,239	34,712	3,592	5,318
Tangible assets	352	468			
Financial assets	21,704	41,793	2,020	2,118	
Total current receivables	286,698	429,147	581,926	433,658	144,449
Cash and cash equivalent	2,794,045	2,389,794	2,014,274	1,783,293	1,311,278
Total assets	3,160,089	2,909,441	2,632,932	2,222,661	1,461,045
Equity	919,915	788,782	406,565	712,012	468,222
Short-term liabilities	2,140,157	2,120,659	2,226,367	1,510,649	992,823
Total equity and liabilities	3,160,089	2,909,441	2,632,932	2,222,661	1,461,045

Key figures

	2019	2018	2017	2016	2015
C/I ¹⁾	0.79	0.76	0.83	0.84	0.78
Heads (average)	156	148	139	138	114
Assets under Management, Funds SEK k ²⁾	653,710,406	552,910,593	535,494,108	485,953,087	247,770,554

1) Total expenses in relation to total income.

2) The value of net assets in funds managed by IM, see fund register in note 16.

Report of the Directors (cont.)

Proposal for the distribution of profit

Standing at the disposal of the Annual General Meeting in accordance with the balance sheet of SEB Investment Management AB:

Other non-restricted equity	SEK 129,071,996
Retained earnings	SEK 563,811,369
Net profit for the year	SEK 227,031,656

Total **SEK 919,915,021**

The Board of Directors and the Managing Director propose that the profits be disposed of as follows:

To be carried forward **SEK 919,915,021**

Income Statement

SEK k	Note	2019	2018
Income			
Net sales	2	5,972,825	5,958,643
Total income		5,972,825	5,958,643
Operating expenses			
Selling costs	3	-3,948,994	-3,866,276
<i>Other external expenses</i>	4	-414,109	-349,061
<i>Staff costs</i>	5	-352,503	-317,941
Administrative expenses		-766,612	-667,002
Other operating income		22,204	
Other operating expenses			-13,331
Total expenses		-4,693,402	-5,213,611
Operating profit		1,279,423	745,032
Net financial income			
Result from financial assets		8,826	-1,764
Interest income		35	1,182
Interest expense		-11,984	-9,946
Profit from net financial income		-3,123	-8,764
Profit before tax		1,276,300	736,268
Appropriations	6	-987,675	-993,223
Taxes	7	-61,594	-89,863
Net profit		227,032	-346,818

Balance sheet

SEK k	Note	2019-12-31	2018-12-31
Assets			
Non-current assets			
Intangible assets			
Intangible assets	8	57,290	48,239
Total intangible assets		57,290	48,239
Tangible assets			
Tangible assets	9	352	468
Total tangible assets		352	468
Financial assets			
Shares in subsidiaries	10	1,414	1,389
Other long-term financial assets	11	20,290	40,404
Total financial assets		21,704	41,793
Total non-current assets		79,346	90,500
Current receivables			
Receivables to group companies	16	26,998	14,906
Other assets		67,909	87,707
Prepaid expenses and accrued income	12	191,791	326,534
Total current receivables		286,698	429,147
Cash and cash equivalent			
Cash and cash equivalent	13	2,794,045	2,389,794
Total cash and cash equivalent		2,794,045	2,389,794
Total current assets		3,080,743	2,818,941
Total assets		3,160,089	2,909,441
Equity and liabilities			
Equity			
Restricted equity			
Share capital		1,500	1,500
Statutory reserve		41,228	41,228
Reserve for development funds		57,290	48,239
Total restricted equity		100,018	90,967
Non-restricted equity			
Other non-restricted equity		129,072	118,132
Retained earnings		563,811	261,263
Net profit		227,032	318,420
Total non-restricted equity		919,915	697,815
Total equity		1,019,933	788,782
Liabilities			
Short-term liabilities			
Tax liabilities	7	140,489	251,440
Liabilities to group companies	16	1,327,146	1,325,794
Other Liabilities		354,557	202,189
Accrued expenses and prepaid income	14	317,965	341,236
Total liabilities		2,140,157	2,120,659
Total equity and liabilities		3,160,089	2,909,441

Statement of changes in equity

2019	Restricted Equity			Non-restricted equity			Total
	Share capital ¹⁾	Statutory reserve	Deelopment cost reserve	Other non-restricted reserves	Retained earnings	Profit for the year	
Opening balance	1,500	41,228	48,239	118,132	261,263	318,420	788,782
Distribution of profit					318,420	-318,420	
Net profit						227,032	227,032
Translation of foreign operations				-1,712			-1,712
Equity based programs					5,831		5,831
Other changes			9,051	12,652	-21,703		
Closing balance	1,500	41,228	57,290	129,072	563,811	227,032	1,019,933

1) 12.500 share with a quotient value of 120 sek

2018	Restricted Equity			Non-restricted equity			Total
	Share capital ¹⁾	Statutory reserve	Deelopment cost reserve	Other non-restricted reserves	Retained earnings	Profit for the year	
Opening balance	1,500	21,710	34,214	96,678	143,650	108,813	406,565
Distribution of profit		19,518			108,813	-108,813	19,518
Net profit						318,420	318,420
Translation of foreign operations				1,187			1,187
Equity based programs					4,709		4,709
Other changes			14,025	20,267	4,091		38,383
Closing balance	1,500	41,228	48,239	118,132	261,263	318,420	788,782

1) 12.500 share with a quotient value of 120 sek

Cash flow statement

SEK k	2019	2018
OPERATING ACTIVITIES		
Operating profit	1,279,423	1,410,270
Interest received	35	1,182
Interest paid	-11,984	-9,946
Income tax paid	-107,866	-111,175
Non cash-flow items	14,434	39,608
Cash flow from the business		
before changes in operating activities	1,174,042	1,329,939
CHANGES IN OPERATING ACTIVITIES		
increase (-) / decrease (+) in receivables	120,188	166,954
increase (-) / decrease (+) in liabilities excl. tax	94,665	-221,377
Cash flow from operating activities	1,388,895	1,275,516
Aquisitions and divestments of financial assets	24,392	-39,773
Acquisitions of intangible and tangible assets	-15,441	-16,556
Cash flow from investment activities	8,951	-56,329
Group Contribution to parent company	-993,223	-844,039
Cash flow from financing activities	-993,223	-844,039
Cash flow for the period	1,578,665	375,148
Cash and cash equivalents at start of period	2,389,422	2,014,274
Cash flow for the period	1,578,665	375,148
Cash and cash equivalents at end of period	2,794,045	2,389,422

Notes

Note 1 – Accounting principles

The annual report has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's general recommendation BNFAR 2012:1 Annual reports and consolidated accounting (K3). Skandinaviska Enskilda Banken AB, corporate identity number 502032-3091, prepares consolidated accounts.

Income

Income are recognized when the service has been performed and can be reliably calculated.

SEB Investment Management AB's income are generated from management fees from the funds, performance fees from the funds and fees via discretionary management.

Intangible assets

On the initial recognition, intangible assets are measured at cost and thereafter at cost less any accumulated amortization and any impairment losses.

Internally generated intangible assets, such as software and system development are amortized over a period of between 5 and 8 years.

The Company recognize internally generated intangible assets according with the capitalization method.

Tangible assets

Tangible assets are measured at cost and are depreciated according to plan on a straight-line basis over the estimated useful life.

The depreciation period for the Company's tangible assets is five years.

Financial instruments

All financial assets and liabilities are measured at fair value. Account receivables and other current receivables are measured at cost less expected losses. Accounts payables and other short-term liabilities are recognized at the amount by which they are expected to be settled. Long-term receivables and long-term liabilities are valued at amortized cost after initial recognition.

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currency are translated to SEK using the closing rate on subsequent balance sheet date.

Foreign branches

Foreign branches are reported according to the current method, which means that assets and liabilities are translated at the closing rate and income and expenses are translated at the average exchange rate for the year.

Leasing

All leasing agreements are reported as operational leases and the costs are recognized on a straight-line basis over the lease period.

Taxes

Reported income taxes include taxes to be paid or received with respect to the current year, adjustments of previous years' current tax and changes in deferred taxes.

Pensions

All pensions are defined contribution pension plans. Pension costs for defined contribution plans are recognized as an expense during the period the employee carry out the service to which the payment relates.

Share-based payments

The combined value of issued financial instruments is allocated over the vesting period, i.e., the time from when the financial instruments are issued until the vesting conditions are expected to be met. The combined value consists of the fair value per financial instrument multiplied by the number of financial instruments that are expected to be awarded, considering the vesting conditions. Allocation entails that the profit or loss is taken while a corresponding increase in the retained earnings in equity. For more information, see SEB's Annual Report at www.sebgroup.com

Cash flow statement

The cash flow statement is prepared in accordance with the indirect method. The reported cash flow pertains only to transactions that entail incoming and outgoing payments.

Notes (cont.)

Note 2 – Net sales per Geography¹⁾

SEK k	2019	2018
Sweden	3,509,202	3,499,630
Luxembourg	2,304,045	2,326,044
Finland	159,578	132,969
Summa nettoomsättning	5,972,825	5,958,643

Note 3 – Selling costs

SEK k	2019	2018
Distribution fees	-2,582,425	-2,484,385
Rebate fees	-1,366,569	-1,381,891
Total Selling costs	-3,948,994	-3,866,276

Note 4 – Fees and remunerations to auditors

SEK k	2019	2018
Audit assignment	-2,906	
Audit related services		
Other services	-44	
Ernst & Young AB¹⁾	-2,950	
Audit assignment	-459	-3,426
Audit related services		
Other services	-1,905	-30
PricewaterhouseCoopers AB	-2,364	-3,456
Total	-5,314	-3,456

¹⁾ At the Annual General Meeting 2019, Ernst & Young AB was elected to the appointed audit firm. For the financial year 2018, PricewaterhouseCoopers was the appointed audit firm.

Notes (cont.)

Note 5 – Staff costs

SEK k	2019	2018
Salaries and remuneration for President and Deputy President	-5,438	-5,462
<i>of which, short-term cash-based remuneration</i>		
Salaries and remuneration for Identified staff	-127,842	-117,659
<i>of which, short-term cash-based remuneration</i>	-13,310	-15,853
Board fees	-1,112	-950
Salaries and remuneration for other employees	-85,802	-74,670
<i>of which, total short-term cash-based remuneration including profit effects</i>	-27,961	-29,656
Total salaries and remuneration	-219,082	-197,791
Social charges	-66,692	-58,914
Pension costs	-46,877	-56,767
<i>of which, President and Deputy President</i>	-965	-1,735
<i>of which, Identified staff</i>	-11,389	-9,339
<i>of which, other employees</i>	-34,523	-45,693
Redundancies	-13,716	
<i>of which, President and Deputy President</i>	-2,200	
<i>of which, senior executives</i>	-3,390	
Other staff costs	-6,136	-4,469
Total staff costs	-352,503	-317,941

Short-term remuneration

Short-term cash-based remuneration is paid in relation to individual goal performance of the income and profit targets that have been set for the year. In 2019 this included costs of SEK 3,765 thousand (2,695) excluding social security charges.

Long-term remuneration

Long-term equity-based programmes include a profit-sharing programme for all employees and a fund-based programme for specially selected key persons. For further information, see Skandinaviska Enskilda Banken AB's Annual Report.

During the year all employees were granted SEK 42,5 thousand (45) per person within the framework of SEB's profit-sharing programme. In addition, grants of SEK 12,558 thousand (18,207) were made in SEB AB's Fund Matching Programme, of which SEK 0 thousand (0) to the President. No variable remuneration is pensionable.

Information on SEB's remuneration policy, in accordance with the disclosure requirements in FFFS 2011:2, is available on the company's website, www.sebgroup.com

Notes (cont.)

Not 5 – Staff costs (cont.)

Number of employees	2019	2018
Senior executives (heads)	13	9
- of whom, men	54%	67%
- of whom, women	46%	33%
Other (heads)	151	148
- of whom, men	63%	61%
- of whom, women	37%	39%
Total heads	164	157
Number of employees (average)	156	148

Board members	2019	2018
Board members	5	4
- of whom, men	60%	50%
- of whom, women	40%	50%

Note 6 – Appropriations

SEK k	2019	2018
Group Contribution, given	-987,675	-993,223
Total	-987,675	-993,223

Notes (cont.)

Note 7 – Taxes

SEK k	2019	2018
Current tax	-62,342	89,863
Deferred tax	171	
Tax for current year	-62,171	89,863
Current tax for previous years	577	
Total	-61,594	89,863

Tax calculation

SEK k	2019	2018
Net profit	227,032	-346,818
Taxes	-61,594	-89,863
Accounting profit before tax	288,625	-256,955
Current tax at tax rate 21,4 (22) per cent	-61,766	56,530
Tax effect relating to not tax deductible expenses	-889	-803
Tax effect of deductible expenses not included in the accounting profit	312	762
Current tax	-62,343	56,489
Tax effect relating to temporary differences	577	
Deferred tax	577	56,489
Current tax for previous years	171	
Total taxes	-61,595	56,489
Effective tax rate	21.3%	22.0%

Note 8 – Intangible assets

SEK k	Groveland		Asset Management Platform		Total	
	2019	2018	2019	2018	2019	2018
Opening balance	5,318	5,318	51,119	35,174	56,437	40,492
Aquisitions and capitalizations			15,441	15,945	15,441	15,945
Ackumuated aquisition value	5,318	5,318	66,560	51,119	71,878	56,437
Opening balance	-5,318	-4820	-2,880	-960	-8,198	-5,780
Depreciations		-498	-6390	-1,920	-6390	-2,418
Ackumulated depreciations	-5,318	-5,318	-9,270	-2,880	-14,588	-8,198
Total			57,290	48,239	57,290	48,239

Notes (cont.)

Note 9 – Tangible assets

Tkr	Other tangible assets		Total	
	2019	2018	2019	2018
Opening balance	539		539	
Aquisitions and capitalizations		539		539
Exchange rate differences	11		11	
Akkumulatad aquisition value	550	539	550	539
Opening balance	-71		-71	
Depreciations during the year	-126	-71	-126	-71
Exchange rate differences	-1		-1	
Akkumulatad depreciations	-198	-71	-198	-71
Total	352	468	352	468

Note 10 – Shares in group companies

SEK k	2019	2018
Opening balance	1,389	1,328
Exchange rate differences	25	61
Closing balance	1,414	1,389

SEK k	Holding	Country	Corporate Reg. Nr.	2019			2018		
				Nr of shares	Owner-ship	Book value	Nr of shares	Owner-ship	Book value
	SEB PEO III Management S.A. ¹⁾	Luxemburg	B179200	50	100%	1,414	50	100%	1,389
Total						1,414			1,389

1) Equity amounted to SEK 7,346 thousand and the net profit amounted to SEK 3,075 thousand according to the Annual Report 2018.

Note 11 – Other long term financial instruments

SEK k	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Fund units	17,774	20,290	42,166	40,404
Total	17,774	20,290	42,166	40,404

Notes (cont.)

Note 12 – Prepaid expenses and accrued income

Tkr	2019	2018
Accrued management fees	178,778	311,058
Prepaid expenses	13,013	15,476
Summa	191,791	326,534

Note 13 – Cash and Cash equivalent

Tkr	2019	2018
Cash	2,794,045	2,389,794
Total	2,794,045	2,389,794

Note 14 – Accrued expenses and prepaid income

Tkr	2019	2018
Accrued expenses	503,200	510,057
Prepaid income	0	0
Other	17,132	23,922
Total	520,332	341,236

Notes (cont.)

Note 15 – Financial assets and liabilities by class

SEK k	Financial assets and financial liabilities held for trading	Loans and receivables	Other Financial liabilities	Total
2019¹⁾				
Assets				
Fund shares	20,290			20,290
Receivables on group companies		26,998		26,998
Accounts receivables		178,778		178,778
Cash		2,794,045		2,794,045
Total financial assets	20,290	2,999,821		3,020,111
Liabilities				
Liabilities to group companies			1,327,146	1,327,146
Accounts payable			15,712	15,712
Accrued expenses			313,213	313,213
Total financial liabilities			1,656,071	1,656,071

¹⁾ All financial assets and liabilities are valued according to level 1 where the fair value is based on quoted prices in active markets. See further information of valuation of financial instruments in note 1.

SEK k	Financial assets and financial liabilities held for trading	Loans and receivables	Other Financial liabilities	Total
2018¹⁾				
Assets				
Fund shares	40,404			41,904
Receivables on group companies		14,906		14,906
Accounts receivables		310,834		310,834
Cash		2,389,794		2,389,794
Total financial assets	40,404	2,715,534		2,757,438
Liabilities				
Liabilities to group companies			1,325,794	1,325,794
Accounts payable			57,452	57,452
Accrued expenses			325,163	325,163
Total financial liabilities			1,708,409	1,708,409

¹⁾ All financial assets and liabilities are valued according to level 1 where the fair value is based on quoted prices in active markets. See further information of valuation of financial instruments in note 1.

Notes (cont.)

Note 16 – Related parties disclosure

SEK k	2019	2018
Assets/Liabilities		
Receivables to group companies	26,998	14,906
Total assets	26,998	14,906
Liabilities to group companies	1,327,146	1,325,794
Total liabilities	1,327,146	1,325,794
Income/costs		
Management fees ¹⁾		252,972
Distribution fees ²⁾	-2,582,425	-2,484,385
Rebate fees ³⁾	-1,366,569	-1,381,891
Interest income	34	1,182
Interest expenses	-11,153	-9,946
Other allocated costs	-260,691	-214,816
Total	-4,220,804	-3,836,884

1) Sales to group companies amounts to SEK 252,972 thousand 2018 and relates to SEB Fondbolag Finland Oy. These company was merged into IM AB Helsinki branch as of 1st June 2018.

2) The amount relates to distribution fees to Skandinaviska Enskilda Banken AB and SEB Varahaldus.

3) The amount relates to rebate fees to SEB Pension & Försäkring AB.

Notes (cont.)

Note 17 – Fund register

Fund name	Sub fond	External manager
Charlottes Fond		
Ethos Aktiefond		
Ethos Räntefond		
Hercules Fonden		
SEB Aktiesparfond		
SEB Asienfond ex Japan		
SEB Dynamisk Aktiefond		
SEB Emerging Marketsfond		
SEB Europafond		
SEB Europafond Småbolag		
SEB Fastighetsfond		
SEB FRN Fond Hållbar		
SEB Företagsobligationsfond Hållbar		
SEB Hållbar Faktor Emerging Markets		
SEB Hållbar Faktor Global		
SEB Hållbarhetsfond Global		
SEB Hållbarhetsfond Sverige Index		
SEB Hållbarhetsfond Världen		
SEB Institutionell Obligationsfond SEK		
SEB Japanfond		
SEB Korträntefond SEK		
SEB Latinamerikafond		
SEB Likviditetsfond SEK		
SEB Läkemedelsfond		
SEB NanoCap		
SEB Nordamerikafond		Hermes Investment Management Limited
SEB Nordamerikafond Små och Medelstora Bolag		Pier Capital LLC
SEB Nordamerikafond Småbolag		
SEB Nordenfond		
SEB Obligationsfond Flexibel SEK		
SEB Obligationsfond SEK		
SEB Schweizfond		
SEB Stiftelsefond Balanserad		
SEB Stiftelsefond Sverige		
SEB Stiftelsefond Utland		
SEB Swedish Value Fund		
SEB Sverige Expanderad		
SEB Sverige Indexfond		
SEB Sverigefond		
SEB Sverigefond Småbolag		
SEB Sverigefond Småbolag Chans/Risk		
SEB Teknologifond		

Notes (cont.)

Note 17 – Fund register (cont.)

Fund name	Sub fond	External manager
SEB Total Expansiv		
SEB Total Försiktig		
SEB Total Potential		
SEB Trygg Placeringsfond		
SEB Trygghetsfond Ekorren		
SEB WWF Nordenfond		
SEB Östeuropafond		AS SEB Varahaldus
Sophiahemmets Fond		
Svenska Läkaresällskapets Fond		
T.O. Fonden		
SEB Concept Biotechnology		
SEB Euroland Free of Management Fee		
SEB European Equity Small Caps		Skandinaviska Enskilda Banken, Danmark
SEB Green Bond Fund		
SEB Micro Cap Fund SICAV-SIF		
SEB Sustainability Fund Global		
SEB Alternative Assets S.A., SICAV-RAIF		
	SEB Eureka Fixed Income Relative Value	Skandinaviska Enskilda Banken, Danmark
	SEB Private Equity Opportunity IV	
SEB Alternative Strategies SICAV		
	SEB Diversified	
	SEB Industrial Opportunities	
SEB Credit Opportunity		
	SEB Credit Opportunity IV	
SEB Fund 1		
	SEB Asset Selection Fund	
	SEB Europe Index Fund	
	SEB Global Chance/Risk Fund	
	SEB Global Fund	
	SEB Norway Focus Fund	
	SEB Sustainability Fund Europe	
	SEB Sustainability Nordic Fund	
	SEB US All Cap	Fort Washington Investment Advisors Inc
SEB Fund 2		
	SEB Asia ex. Japan Fund	
	SEB Russia Fund	AS SEB Varahaldus
SEB Fund 3		
	SEB Ethical Global Index Fund	
	SEB Index Linked Bond Fund SEK	
	SEB Medical Fund	
	SEB Pension Fund	
	SEB Pension Fund Extra	
	SEB Pension Fund Plus	
	SEB Sustainability Fund Sweden	
	SEB Sustainability Global Index Fund	

Notes (cont.)

Note 17 – Fund register (cont.)

Fund name	Sub fond	External manager
	SEB Sustainability Global Index Fund	
	SEB Technology Fund	
	SEB U.S. Index fund	
SEB Fund 4		
	SEB Short Bond Fund EUR	
	SEB Short Bond Fund SEK	
	SEB USD Currency Fund	
SEB Fund 5		
	SEB Corporate Bond Fund EUR	
	SEB Corporate Bond Fund SEK	
	SEB Danish Mortgage Bond Fund	Skandinaviska Enskilda Banken, Danmark
	SEB Dynamic Bond Fund	
	SEB Flexible Bond Fund SEK	
SEB High Yield		
	SEB European High Yield Fund	
	SEB Sustainable High Yield Fund	
SEB Optimix		
	SEB Optimix Ertrag	
	SEB Optimix Substanz	
	SEB Optimix Wachstum	
SEB Private Banking Fund SICAV-SIF		
	SEB Modern Aggressive Fund	
	SEB Modern Growth Fund	
SEB Private Equity Fund SICAV-SIF		
	SEB Private Equity Opportunity Fund I	
	SEB Private Equity Opportunity Fund II	
SEB Sicav 1		
	SEB Eastern Europe ex Russia Fund	AS SEB Varahaldus
	SEB Emerging Markets Fund	
SEB Sicav 2		
	SEB Alternative Fixed Income	
	SEB Asia Small Caps ex. Japan Fund	Schroder Investment Management LTD
	SEB Eastern Europe Small and Mid Cap Fund	AS SEB Varahaldus
	SEB Listed Private Equity Fund	
	SEB Nordic Small Cap Fund	
SEB Sicav 3		
	SEB Asset Selection Opportunistic	
	SEB Diversified V8	
SEB Strategy Fund		
	SEB Strategy Balanced	
	SEB Strategy Defensive	
	SEB Strategy Growth	
	SEB Strategy Opportunity	

Notes (cont.)

Note 17 – Fund register (cont.)

Fund name	Sub fond	External manager
SEB TrendSystemRenten		
	SEB Trend System Renten	
SEB Trygg Pension		
	SEB Trygg Pension Nyttja	
	SEB Trygg Pension Spara	
Placeringsfond SEB 20		
Placeringsfond SEB 50		
Placeringsfond SEB 80		
Placeringsfond SEB Ethical Forum		
Placeringsfond SEB Euro Bond		
Placeringsfond SEB Euro Short Rate Fund		
Placeringsfond SEB European Equity		
Placeringsfond SEB European Optimum		
Placeringsfond SEB Finland Optimum		
Placeringsfond SEB Finland Small Cap		
Placeringsfond SEB Finlandia Optimized Low Carbon		
Placeringsfond SEB Global Equity Multimanager		
Placeringsfond SEB Global High Yield		Muzinich & Co., Inc.
Specialplaceringsfond SEB European Index		
Specialplaceringsfond SEB North America Index		
Specialplaceringsfond SEB SLS		

Note 18 – Significant events after the end of the financial year

Per 1 januari 2020 har bolaget att öppnat en filial i Danmark där SEB:s danska filials verksamhet inom Investment Management övertas av SEB IM AB.

Notes (cont.)

Note 19 – Proposal for the distribution of profit

Standing at the disposal of the Annual General Meeting in accordance with the balance sheet of SEB Investment Management AB:

Other non-restricted equity	SEK 129,071,996
Retained earnings	SEK 563,811,369
Net profit for the year	SEK 227,031,656
Total	SEK 919,915,021

The Board of Directors and the Managing Director propose that the profits be disposed of as follows:

To be carried forward **SEK 919,915,021**

Solna 21 February 2020

Johan Wigh
Chairman

Karin S Thorburn

Martin Gärtner

Mikael Huldt

Viveka Hirdman-Ryrberg

Javiera Ragnartz
President

Our audit report was submitted on 21 February 2020
Ernst & Young AB

Daniel Eriksson
Authorized Public Accountant
Partner in charge

This document is an unofficial translation of the official Annual Report of SEB Investment Management AB for the 2019 financial year.