

# SEB Investment Management AB

Annual Report

2018

This document is an unofficial translation of the official Annual Report of SEB Investment Management for the 2018 financial year.

SEB

# Table of contents

	<b>Page</b>
President's comment	3
Board of Directors' report	5
Income statement	8
Balance sheet	9
Equity	10
Cash flow statement	11
Notes	12
Signatures	23

# President's comment

During the first half of 2018, most markets developed in line with the preceding years – interest rates were stable and the stock markets continued upward. The second half of the year, however, was characterised by worries from several perspectives: central banks began to raise their key lending rates for the first time in many years, valuations on the world's stock exchanges came into question following several years of rising, and geopolitical issues such as Brexit and the trade conflict between China and the USA came into focus. Owing to these factors taken together, most markets showed a slight downturn in 2018, and as a result, many equity, fixed-income and mixed funds had slightly negative performance for the full year.

Fund volume increased slightly during the financial year, with a net inflow of SEK 2,774m and value increase/decrease of SEK 14,643m. Excluding Finland, fund volume decreased by SEK 12,147m, which had a negative effect on our market share in Sweden. Total fund volume thereby ended at SEK 552,911m, an increase of SEK 17,194m. Mandates managed for institutional customers decreased during the same period by a total of SEK 20,266m and consisted mainly of various types of fixed-income assignments. SEB Investment Management is thereby entrusted to manage approximately SEK 740bn. The establishment of a branch in Finland affected managed volume positively by SEK 48bn.

Profit for the year before tax increased by 43 per cent, which is entirely attributable to new retrocession agreements signed with SEB after MiFID II came into force. Excluding this effect, profit was slightly lower than in 2017. At the same time, during the year we saw continued pressure on margins, especially in the institutional segment.

Most fund categories were largely unchanged during the year, owing to low sales in most customer segments. The

background to this is that MiFID II and new regulations in the pension insurance area have led to a change in customer interactions, as the requirements for the actual advice and the documentation of such have been made stricter, which affected the many customer dialogues. The customer segment that showed continued strength during the year was sales to foreign institutions.

Our offering of sustainability funds increased during the year both through the fact that existing funds – ethical as well as base funds – have changed over to a sustainable asset management model, and that we launched new sustainability funds. In this context I can mention our new so-called Factor funds (“Faktorfonder”) and sustainability funds focused on the Nordic countries and Europe. In all, roughly a third of the total fund assets of SEK 553bn is now managed in accordance with the fund company's highest sustainability level. This is a dramatic increase from less than 3 per cent as recently as 2015.

Since the markets during the year, especially after the summer, were characterised by worries, some of the Company's central fund management strategies were negatively affected. All hedge fund strategies delivered returns that were below target for the respective strategies. Our global quant process, which is a core process for our equity, mixed and solution funds, was negatively affected by high valuations in the tech sector globally. Our fixed-income fund management was successful, but the total return for our fixed-income products was meek during the year, owing to the low and sometimes negative interest rates. The category of funds that exceeded our expectations and showed positive results includes many of our Sweden- and Nordic-focused equity funds. Our funds in the Private Equity, Micro Finance and real estate segments all showed a successful management result in 2018. Our institutional customers, which are invested preferentially in our various fixed-income fund strategies, all received competitive returns.

# President's comment (cont.)

The update of our portfolio management system continued in 2018 through the phase-out of many old systems, and instead we gradually changed over to using a joint system from Simcorp called Dimension. We have also continued our digitalisation work in the fund information area at the same time that we revised our processes in our unit-holder system. During the year we also established a branch in Finland, and in connection with this we took over SEB's fund operations with 18 funds and combined fund capital that was worth about SEK 30bn as per the balance sheet date. The work that has thereby characterised recent years continued, with focus on simpler and more digitalised processes, few systems, and global instead of local system solutions, with the joint ambition to continuously streamline work methods and processes.

Sustainability was one of our major focus areas also in 2018. Our collaboration with other parts of SEB has strengthened, and the fund company's own operations have gained more resources. Developments in this area are progressing rapidly, and the Company is involved in the Swedish Investment Fund Association, in work groups with SISD (the Swedish Investors for Sustainable Development) under the auspices of Sida (the Swedish International Development Cooperation Agency), and directly in various work groups in EFAMA (the European Fund and Asset Management Association). The number of companies that we ourselves – through collaborations or via contacted partners – have had direct company dialogues with concerning sustainability has also increased, which in many ways makes us prepared for the

more stringent EU legislation governing sustainability that is currently being drafted in Brussels. In the future it is very likely that direct influencing work with companies along with proof that the fund company's asset allocation is having a proven impact on sustainability for society as a whole will serve as the foundation of sustainability work, which means that over time, exclusion or removal of companies from the investment universe will become moot.

In 2017 the Company moved its operations, together with large parts of SEB, to new offices in Arenastaden in Solna, just outside Stockholm. The move has had a positive effect on our cooperation with our private customer channels, however, the distance from client executives for our institutional customers has increased, which many have noted. Ahead of 2019, cooperation with our various institutional customers will be in focus at the same time that goals for continued work in evening the balance between men and women in various positions will be strengthened. Having a company that is distinguished by high employee engagement and equal opportunities for all employees to make a career is a success factor which, used properly, enhances the Company's future competitiveness and opportunity to attract future talent.

The year can thus be summarised as one with nervous markets, dampened sales successes and continued good profitability with an intensified sustainability focus.

**Hans Ek**

# Board of Directors' report

The Board of Directors and President of SEB Investment Management AB ("the Company") herewith submit the Annual Report for the 2018 financial year.

## Information about operations

SEB IM AB's operations involve, as a fund company, managing investment funds. The Company also has a number of discretionary asset management assignments and advisory assignments. The Company conducts its operations in Solna, Sweden, in Luxembourg, and in Finland.

Since 1 July 2009 the Company has been a wholly owned subsidiary of Skandinaviska Enskilda Banken AB (publ) ("SEB"), corporate identity number 502032-9081.

As per the balance sheet date the Company manages 53 (50) Sweden-registered investment funds, of which 2 (2) are managed externally, 69 (72) Luxembourg-registered sub-funds, of which 2 (2) are managed externally, and 18 Finland-registered investment funds, of which 1 (1) is managed externally, see note 14.

## Operations during the financial year

During the financial year, three new Sweden-registered funds were started. No Sweden-registered funds were closed during the financial year. During the financial year, two Luxembourg-registered funds were started, three Luxembourg-registered funds were closed, and two Luxembourg-registered funds were merged. No Finland-registered funds were started or closed.

During the financial year, the Company opened a branch in Finland, and SEB Fondbolag Finland AB (0815140-1) was merged with SEB Investment Management AB.

The merger took place on 1 June 2018, through which 18 funds were added.

During 2018 the merged company contributed:

Net sales	SEK 132,969k
Operating profit	SEK 11,512k
Assets	SEK 58,643k
Liabilities	SEK 49,443k

## Earnings during the financial year

The Company's operating profit increased by 43 per cent compared with 2017, to SEK 1,412m. The increase is a consequence of restrictions in MiFID II on fund retrocessions, which are no longer paid out to SEB.

Excluding the effect of MiFID II, totalling approximately SEK 439m, operating profit decreased by SEK 13m, which is partly due to the fact that customers are investing to a greater extent in products with lower margins, and partly to a decrease in performance fees in 2018.

On the expense side, staff costs increased by SEK 27m, or 9 per cent, mainly owing to an increase in the number of employees during the year.

## Future development

SEB IM AB has over time shown stable earnings despite changes in the financial markets. With a well-diversified product portfolio, SEB IM AB is poised for the future. Together with SEB, SEB IM AB is working strategically to continuously refine and improve the efficiency of its product offering as well as its processes for management and fund production. This work will lead to new product launches as well as to combinations and closures of funds.

## Sustainability disclosures

SEB has produced a Sustainability Report, which is included in SEB's Annual Report, on [www.sebgroup.se/eng](http://www.sebgroup.se/eng)

## Significant events after the end of the financial year

Javiera Ragnartz has been named as new President of the Company. She will assume her position in summer 2019.

# Board of Directors' report, cont.

## Five-year overview

### Income statement

SEK k	2018	2017	2016	2015	2014
Net sales	5,958,643	5,664,219	4,687,103	3,220,326	2,677,202
<b>Total income</b>	<b>5,958,643</b>	<b>5,664,219</b>	<b>4,687,103</b>	<b>3,220,326</b>	<b>2,677,202</b>
Selling costs	-3,866,276	-4,111,314	-3,346,825	-1,959,935	-1,870,668
Other external costs	-349,061	-272,924	-357,830	-304,388	-340,732
Staff costs	-317,941	-290,847	-274,870	-246,162	-132,716
Other operating expenses	-13,331	-2,897	6,540		
<b>Total expenses</b>	<b>-4,546,609</b>	<b>-4,677,982</b>	<b>-3,972,985</b>	<b>-2,510,485</b>	<b>-2,332,371</b>
Net financial income	-10,528	-4,092	-3,284	-1,255	2,823
<b>Profit after net financial income</b>	<b>1,401,506</b>	<b>982,145</b>	<b>739,686</b>	<b>708,586</b>	<b>335,909</b>
Appropriations	-993,223	-844,039	-596,813	-663,586	-335,909
Tax	-89,863	-29,293	-3,325	-3,300	0
<b>Net profit</b>	<b>318,420</b>	<b>108,813</b>	<b>139,548</b>	<b>41,700</b>	<b>0</b>

### Balance sheet

SEK k	2018	2017	2016	2015	2014
Intangible assets	-48,239	-34,712	-3,592	-5,318	
Tangible assets	-468				
Financial assets	-41,793	-2,020	-2,118		
Current receivables	-429,147	-581,926	-433,658	-144,449	-144,963
Cash and bank equivalents	-2,389,794	-2,014,274	-1,783,293	-1,311,278	-873,476
<b>Total assets</b>	<b>-2,909,441</b>	<b>-2,632,932</b>	<b>-2,222,661</b>	<b>-1,461,045</b>	<b>-1,018,439</b>
Equity	788,782	406,565	712,012	468,222	421,008
Current liabilities	2,120,659	2,226,367	1,510,649	992,823	597,431
<b>Total equity and liabilities</b>	<b>2,909,441</b>	<b>2,632,932</b>	<b>2,222,661</b>	<b>1,461,045</b>	<b>1,018,439</b>

### Key ratios

SEK k	2018	2017	2016	2015	2014
C/I	0.76	0.83	0.84	0.78	0.88
Heads (average)	148	139	138	114	102
Asset under Management, SEK k	552,910,593	535,494,108	485,953,087	247,770,554	225,121,454
Total capital adequacy ratio	22.90%	21.93%	40.24%	30.21%	29.42%

# Board of Directors' report, cont.

## Board of Directors' proposed distribution of profit

The following amounts are at the disposal of the Annual General Meeting according to SEB Investment Management AB's balance sheet:

Profit brought forward	SEK 379,395,011
Net profit for the year	SEK 318,419,653
<b>Total</b>	<b>SEK 697,814,664</b>

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

To be carried forward	<b>SEK 697,814,664</b>
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# Income statement

SEK k	Note	2018	2017 <sup>1)</sup>
<b>Income</b>			
Net sales	2	5,958,643	5,664,219
Total income		5,958,643	5,664,219
<b>Operating expenses</b>			
Selling costs	3	-3,866,276	-4,111,314
Other external expenses	4	-349,061	-272,924
Staff costs	5	-317,941	-290,847
Other operating expenses		-13,331	-2,897
Total expenses		-4,546,609	-4,677,982
<b>Operating profit</b>		<b>1,412,034</b>	<b>986,237</b>
<b>Net financial income</b>			
Interest income		1,182	174
Interest expenses		-9,946	-4,266
Result from financial assets		-1,764	
Profit after financial income and expenses		1,401,506	982,145
<b>Profit before tax</b>		<b>1,401,506</b>	<b>982,145</b>
Appropriations	6	-993,223	-844,039
Tax	7	-89,863	-29,293
<b>Net profit</b>		<b>318,420</b>	<b>108,813</b>

1) An adjustment of SEK 208m has been made between Selling costs and Other external expenses for the comparison period 2017.

## Other comprehensive income

SEK k	2018	2017
Net profit for the year	318,420	108,813
Translation of foreign operation	1,187	2,095
Other comprehensive income	1,187	2,095
<b>Total comprehensive income</b>	<b>319,607</b>	<b>110,908</b>



# Balance sheet

SEK k	Note	2018-12-31	2017-12-31
<b>Assets</b>			
Non-current assets			
Intangible assets			
Intangible assets	8	48,239	34,712
Total intangible assets		48,239	34,712
Tangible assets			
Tangible assets	9	468	
Total tangible assets		468	
Financial assets			
Shares in Group companies	10	1,389	1,328
Other long-term financial assets	11	40,404	692
Total financial assets		41,793	2,020
<b>Total non-current assets</b>		<b>90,500</b>	<b>36,732</b>
Current receivables			
Receivables from Group companies		14,906	98,314
Other receivables		87,707	64,428
Prepaid expenses and accrued income	12	326,534	419,184
Total current receivables		429,147	581,926
Cash and bank equivalents			
Cash and bank equivalents		2,389,794	2,014,274
Total cash and bank equivalents		2,389,794	2,014,274
<b>Total current assets</b>		<b>2,818,941</b>	<b>2,596,200</b>
<b>Total assets</b>		<b>2,909,441</b>	<b>2,632,932</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Restricted equity			
Share capital		1,500	1,500
Statutory reserve		41,228	21,710
Development cost reserve		48,239	34,214
Total restricted equity		90,967	57,424
Non-restricted equity			
Other non-restricted equity		118,132	96,678
Retained earnings		261,263	143,650
Profit of the year		318,420	108,813
Total non-restricted equity		697,815	349,141
<b>Total equity</b>		<b>788,782</b>	<b>406,565</b>
<b>Liabilities</b>			
Current liabilities			
Tax	7	251,440	140,663
Liabilities to Group companies		1,325,794	1,674,841
Other liabilities		202,189	153,288
Accrued expenses and deferred income	13	341,236	257,575
<b>Total liabilities</b>		<b>2,120,659</b>	<b>2,226,367</b>
<b>Total equity and liabilities</b>		<b>2,909,441</b>	<b>2,632,932</b>

# Statement of changes in equity

2018	Restricted equity			Non-restricted equity			Total
	Share capital <sup>1)</sup>	Statutory reserve	Development costs reserve	Other non-restricted equity	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
Other comprehensive income							
Dividend							
Financial instruments					4,709		4,709
Development reserve			14,025		-14,025		
Transfers				21,454	18,116		39,570
<b>Closing balance</b>	<b>1,500</b>	<b>41,228</b>	<b>48,239</b>	<b>118,132</b>	<b>261,263</b>	<b>318,420</b>	<b>788,782</b>

1) 12,500 shares with share quote value of SEK 120

2017	Restricted equity			Non-restricted equity			Total
	Share capital <sup>1)</sup>	Statutory reserve	Development costs reserve	Other non-restricted equity	Retained earnings	Profit for the year	
Opening balance	1,500	21,710		68,786	480,468	139,548	712,012
Distribution of profit					139,549	-139,548	1
Net profit						108,813	108,813
Other comprehensive income				2,095			2,095
Dividend					-430,000		-430,000
Financial instruments					13,644		13,644
Development reserve			34,214		-34,214		34,214
Transfers				25,797	-25,797		
<b>Closing balance</b>	<b>1,500</b>	<b>21,710</b>	<b>34,214</b>	<b>96,678</b>	<b>143,650</b>	<b>108,813</b>	<b>406,565</b>

1) 12,500 shares with share quote value of SEK 120

# Cash flow statement

SEK k	2018	2017
OPERATING ACTIVITIES		
Operating profit	1,410,270	986,237
Interest received	1,182	174
Interest paid	-9,946	-4,266
Income tax paid	-111,175	-13,991
<b>Cash flow from operating activities before changes in working capital</b>	<b>1,290,331</b>	<b>968,154</b>
CHANGE IN WORKING CAPITAL		
Increase (-)/decrease (+) in operating receivables	166,954	-113,306
Increase (-)/decrease (+) in operating liabilities excluding tax	-221,377	431,098
Non-cash items	-2,735	-22,297
<b>Cash flow from operating activities</b>	<b>1,233,173</b>	<b>1,263,019</b>
Acquisitions of financial assets	-39,773	98
Acquisitions of intangible non-current assets and property, plant and equipment	-16,556	-33,540
Impairment charges during the year	2,561	2,420
<b>Cash flow from investing activities</b>	<b>-53,768</b>	<b>-31,022</b>
Other non-restricted equity	39,782	25,797
Dividend		-430,000
Group contribution to Parent Company	-844,039	-596,813
<b>Cash flow from financing activities</b>	<b>-804,257</b>	<b>-1,001,016</b>
<b>Cash flow for the period</b>	<b>375,148</b>	<b>230,981</b>
Cash and cash equivalents at start of period	2,014,274	1,783,293
Cash flow for the period	375,148	230,981
Cash and cash equivalents at end of period	2,389,422	2,014,274

# Notes

## Note 1 – Accounting principles

The annual report has been prepared in accordance with the Swedish Annual Accounts Act 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

Management fees are recognised as income when the service is performed. SEB Investment Management AB has income in the form of management fees from funds, performance fee coupled to funds, and income from discretionary management.

### Intangible assets

On the initial accounting occasion, intangible assets are measured at fair value and thereafter at cost after deducting any accumulated amortisation or impairment losses.

The Company reports internally developed assets in accordance with the capitalisation method.

Intangible assets in the Company are amortised over a period of five to eight years.

### Receivables and liabilities

Receivables are reported in the amount at which they are expected to be incurred.

### Receivables and liabilities in foreign currency

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

### Financial instruments

Financial assets and liabilities are measured at fair value.

### 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.

### Receivables and liabilities in foreign currency

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

### 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, taking into account the vesting conditions. Allocation entails that the income statement is charged at the same time that a corresponding increase is recorded of earned profits under equity. For more information, see SEB's Annual Report at [www.sebgroup.com](http://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.

### Changed accounting policies 2018

#### Financial instruments

During 2018 the Company began receiving seed capital as part of its strategic operations. This leads to a significant increase in the Company's holding of financial instruments.

As a result of this, the determination has been made that fair value measurement of financial instruments gives a more reliable and accurate picture of the Company's earnings and position. Effects of the change are shown in note 15.

Comparison figures for 2017 have not been recalculated, as this does not have a material effect.

# Notes, cont.

## Note 2 – Net Sales per Geography

SEK k	2018	2017
Sweden <sup>1)</sup>	3,499,630	3,201,755
Luxembourg	2,326,044	2,462,464
Finland	132,969	-
<b>Total net sales</b>	<b>5,958,643</b>	<b>5,664,219</b>

1) Of which, sales to Group companies amount to SEK 127,032 thousand (252,972) and pertain to sales to SEB Fondbolag Finland Oy. On 1 June 2018 this company was merged into SEB Investment Management AB's Helsinki branch.

## Note 3 – Selling costs

SEK k	2018	2017
Distribution fees	-3,866,276	-4,111,314
of which, intra-group distribution fees <sup>1)</sup>	-3,366,046	-3,687,651
<b>Total selling costs</b>	<b>-3,866,276</b>	<b>-4,111,314</b>

1) Purchases from group companies include Skandinaviska Enskilda Banken AB, SEB Pension & Försäkring AB, SEB Varahaldus.

## Note 4 – Fees and remunerations to auditors

SEK k	2018	2017
Audit assignment	-3,426	-1,128
Auditing services in addition to audit assignment		
Other services	-30	-1,515
<b>PricewaterhouseCoopers</b>	<b>-3,456</b>	<b>-2,643</b>

# Notes, cont.

## Note 5 – Staff costs

SEK k	2018	2017 <sup>1)</sup>
Salaries and remuneration for President and Deputy President	-5,462	-5,840
<i>of which, short-term cash-based remuneration</i>	0	0
Salaries and remuneration for risk-takers	-117,659	-110,672
<i>of which, short-term cash-based remuneration</i>	-15,853	-15,468
Directors' fees	-950	-930
Salaries and remuneration for other employees	-74,670	-73,149
<i>of which, total short-term cash-based remuneration including profit effects</i>	-29,656	-36,244
<b>Total salaries and remuneration</b>	<b>-197,791</b>	<b>-190,591</b>
Social security charges	-58,914	-62,086
<b>Total social security charges</b>	<b>-58,914</b>	<b>-62,086</b>
Pensions	-56,767	-34,625
<i>of which, President<sup>1)</sup></i>	-1,735	-1,660
<i>of which, Risk-takers</i>	-9,339	-10,330
<i>of which, other employees</i>	-45,693	-22,635
<b>Total pension costs</b>	<b>-56,767</b>	<b>-34,625</b>
Other staff costs	-4,469	-3,615
<b>Total staff costs</b>	<b>-317,941</b>	<b>-290,847</b>

1) For 2017 figures, a transfer has been made between remuneration for the President and remuneration for other risk-takers.

### Short-term cash-based 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 2018 this included costs of SEK 2,695 thousand (3,152) excluding social security charges.

### Long-term equity-based programmes

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

During 2018 all employees were granted SEK 45 thousand (42) per person within the framework of SEB's profit-sharing programme. In addition, grants of SEK 18,207 thousand (0) were made in SEB AB's Fund Matching Programme, of which SEK 0 thousand (0) to the President and SEK 0 thousand (17,556) in SEB AB's Share Matching Programme.

All 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](http://www.sebgroup.com)

# Notes, cont.

## Note 5 – Staff costs

<b>Number of employees</b>	<b>2018</b>	<b>2017</b>
Senior executives (actual)	9	8
- of whom, men	67%	63%
- of whom, women	33%	38%
Other (actual)	148	120
- of whom, men	61%	66%
- of whom, women	39%	34%
<b>Number of employees (average)</b>	<b>148</b>	<b>139</b>
<b>Board members</b>	<b>2018</b>	<b>2017</b>
Board members	4	4
-- of whom, men	50%	50%
- of whom, women	50%	50%
<b>Total number of positions (average)</b>	<b>4</b>	<b>4</b>

## Note 6 - Appropriations

<b>SEK k</b>	<b>2018</b>	<b>2017</b>
Group contribution, paid	-993,223	-844,039
<b>Total</b>	<b>-993,223</b>	<b>-844,039</b>

## Note 7 - Taxes

<b>SEK k</b>	<b>2018</b>	<b>2017</b>
Current tax	89,863	29,293
<b>Total</b>	<b>89,863</b>	<b>29,293</b>

# Notes, cont.

## Note 8 - Intangible assets

SEK k	Groveland		Asset Management Platform		Total	
	2018	2017	2018	2017	2018	2017
Opening balance	5,318	5,318	35,174	1,634	40,492	6,952
Additions from acquisitions and capitalisations			15,945	33,540	15,945	33,540
<b>Acquisition value</b>	<b>5,318</b>	<b>5,318</b>	<b>51,119</b>	<b>35,174</b>	<b>56,437</b>	<b>40,492</b>
Opening balance	-4,820	-3,360	-960		-5,780	-3,360
Current year's impairments	-498	-1,460	-1,920	-960	-2,418	-2,420
<b>Ackumulated depreciations</b>	<b>-5,318</b>	<b>-4,820</b>	<b>-2,880</b>	<b>-960</b>	<b>-8,198</b>	<b>-5,780</b>
<b>Total</b>	<b>0</b>	<b>498</b>	<b>48,239</b>	<b>34,214</b>	<b>48,239</b>	<b>34,712</b>

## Note 9 – Tangible assets

SEK k	Other tangible assets		Total	
	2018	2017	2018	2017
Opening balance				
Acquisitions and capitalisations	539		539	
<b>Acquisition value</b>	<b>539</b>		<b>539</b>	
Opening balance				
Current year's depreciations	-71		-71	
<b>Ackumulated depreciations</b>	<b>-71</b>		<b>-71</b>	
<b>Total</b>	<b>468</b>		<b>468</b>	



# Notes, cont.

## Note 10 – Shares in Group Companies

SEK k	2018	2017
Opening balance	1,328	1,415
Divestment/liquidation		-120
Exchange rate differences	61	33
<b>Closing balance</b>	<b>1,389</b>	<b>1,328</b>

	Country	2018			2017		
		Book value	Ownership	Number of shares	Book value	Ownership	Number of shares
SEB PEO III management S.A.	Luxembourg	1,389	100%	50	1,328	100%	50
<b>Total</b>		<b>1,389</b>			<b>1,328</b>		

## Note 11 – Other long-term financial assets

	2018		2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Fund units	42,166	40,404	703	692
<b>Total</b>	<b>41,463</b>	<b>40,404</b>	<b>703</b>	<b>692</b>

## Note 12 - Prepaid expenses and accrued income

SEK k	2018	2017
Accrued management fees	311,058	394,604
Prepaid expenses	15,476	24,580
<b>Total</b>	<b>326,534</b>	<b>419,184</b>

## Note 13 - Accrued expenses and deferred income

SEK k	2018	2017
Accrued holiday pay	10,224	10,045
Accrued cash-based remuneration and social security charges	136,690	114,248
Management fees	10,944	9,198
PPM	51,905	42,805
Accrued management fees	49,772	12,666
Other	81,701	68,613
<b>Total</b>	<b>341,236</b>	<b>257,575</b>

# Notes, cont.

## Note 14 – Fund register

Fund name	Sub-fund	External manager
SEB Concept Biotechnology		
SEB Euroland Gratis		
SEB European Equity Small Caps		Skandinaviska Enskilda Banken Denmark
SEB Green Bond Fund		
SEB Micro Cap Fund SICAV-SIF		
SEB Sustainability Fund Global		
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 Generationsfond 50-tal		
SEB Generationsfond 60-tal		
SEB Generationsfond 70-tal		
SEB Hållbar Faktor Emerging Markets		
SEB Hållbar Faktor Global		
SEB Hållbarhetsfond Global		
SEB Hållbarhetsfond Sverige Index		
SEB Institutionell Obligationsfond SEK		
SEB Japanfond		
SEB Korträntefond SEK		
SEB Latinamerikafond		
SEB Likviditetsfond SEK		
SEB Läkemedelsfond		
SEB NanoCap		
SEB Nordamerikafond		
SEB Nordamerikafond Små och Medelstora Bolag		Hermes Investment Management Limited
SEB Nordamerikafond Småbolag		Pier Capital LLC
SEB Nordenfond		
SEB Obligationsfond Flexibel SEK		
SEB Obligationsfond SEK		

# Notes, cont.

## Note 14 – Fund register, cont.

Fund name	Sub-fund	External manager
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		
SEB Total Expansiv		
SEB Total Försiktig		
SEB Total Potential		
SEB Trygg Placeringsfond		
SEB Trygghetsfond Ekorren		
SEB WWF Nordenfond		
SEB Världenfond		
SEB Östeuropafond		AS SEB Varahaldus
Sophiahemmets Fond		
Svenska Läkaresällskapets Fond		
T.O. Fonden		
SEB Alternative Assets S.A., SICAV-RAIF		
	SEB Eureka Fixed Income Relative Value	Skandinaviska Enskilda Banken Denmark
	SEB Private Equity Opportunity IV	
SEB Alternative Strategies SICAV		
	SEB Diversified	
	SEB Industrial Opportunities	
SEB Credit Opportunity		
	SEB Credit Opportunity IV	
SEB deLuxe		
	SEB deLuxe - Multi Asset Balance	
	SEB deLuxe - Multi Asset Defensive	
	SEB deLuxe - Multi Asset Defensive plus	

# Notes, cont.

## Note 14 – Fund register, cont.

Fund name	Sub-fund	External manager
SEB Fund 1	SEB Asset Selection Fund	
	SEB Emerging Markets Corporate Bond Fund	
	SEB Europe Index Fund	
	SEB European Opportunity Fund	
	SEB Global Chance/Risk Fund	
	SEB Global Fund	
	SEB Sustainability Fund Europe	
	SEB Sustainability Nordic Fund	
	SEB Norway Focus 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	
	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 Denmark
	SEB Dynamic Bond Fund	
	SEB Flexible Bond Fund SEK	

## Notes, cont.

### Note 14 – Fund register, cont.

Fund name	Sub-fund	External manager
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 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	
SEB TrendSystemRenten	SEB Trend System Renten	
SEB Trygg Pension	SEB Trygg Pension Nyttja	
	SEB Trygg Pension Spara	

## Notes, cont.

### Note 14 – Fund register, cont.

Fund name	Sub-fund	External manager
Placeringsfond SEB 20		
Placeringsfond SEB 50		
Placeringsfond SEB 80		
Placeringsfond SEB Ethical Forum		
Placeringsfond SEB Euro Bond		
Placeringsfond SEB European Equity		
Placeringsfond SEB European Optimum		
Placeringsfond SEB Finland Optimum		
Placeringsfond SEB Finland Small Cap		
Placeringsfond SEB Finlandia		
Placeringsfond SEB Företagsobligationsfond Flexibel		
Placeringsfond SEB Global Equity Multimanager		
Placeringsfond SEB Global High Yield		Muzinich & Co., Inc.
Placeringsfond SEB Money Manager		
Placeringsfond SEB Money Manager Plus		
Specialplaceringsfond SEB European Index		
Specialplaceringsfond SEB North America Index		
Specialplaceringsfond SEB SLS		

### Note 15 – Effect of change of accounting policy

SEK k	Amortised cost 31/12/2018	Change in value	Fair value 31/12/2018
Long-term financial assets	42,166	-1,762	40,404

Net profit and financial position for 2017 have not been recalculated, as this is determined to have an immaterial effect.

# Notes, cont.

## Note 16 – Proposed distribution of profit

The following amounts are at the disposal of the Annual General Meeting according to SEB Investment Management AB's balance sheet:

Profit brought forward	SEK 379,395,011
Net profit for the year	SEK 318,419,653
<b>Total</b>	<b>SEK 697,814,664</b>

Board of Directors and President propose that the profits be disposed of as follows::

To be carried forward	SEK 697,814,664
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**Stockholm, 21 February 2019**

Johan Wigh  
Chairman

Magnus Wallberg

Karin S Thorburn

Jenny Askfelt Ruud

Hans Ek  
President

Our audit report was submitted on 22 February 2019  
PricewaterhouseCoopers AB

Peter Nyllinge  
Authorized Public Accountant  
Partner in charge

Martin Welén  
Authorized Public Accountant

This document is an unofficial translation of the official Annual Report of SEB Investment Management for the 2018 financial year.