

Annual Report

SEB European Equity Small Caps

Status: 31 December 2019

Notice

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

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Additional Information to the Investors in Germany

As at 31 December 2019

Units in circulation:

The following Fund is publicly approved for distribution in Germany:

- SEB European Equity Small Caps

The information disclosed above is as at 31 December 2019 and this may change after the year end. The current Fund in circulation and the current registrations per unit class are visible in the distribution matrix on www.sebgroup.lu.

Organisation

Management Company:	SEB Investment Management AB Stjärntorget 4 SE-169 79 Solna, Sweden
Board of Directors of the Management Company:	Chairperson Johan Wigh Partner Advokatfirman, Törngren Magnell Sweden Members 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 Manager:	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 Fund:	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 European Equity Small Caps (the "Fund") is an open-ended common fund ("FCP" - "Fonds Commun de Placement") governed by Part I of the Luxembourg Law on Undertakings for Collective Investment of 17 December 2010 as amended (the "Law"). The Fund qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS). The Fund, was set up on 30 April 1999 for an undetermined duration. The Management Regulations lastly modified with effect from 25 September 2017, have been published in the *Recueil Electronique des Sociétés et Associations (RESA)* on 19 October 2017. The Fund is registered in Luxembourg at the Luxembourg Register of Commerce under the number K 48. The Management Company was established on 19 May 1978 in the form of a Swedish limited liability company (AB). The Management Company is authorised by Finansinspektionen for the management of UCITS and for the discretionary management of financial instruments and investment portfolios under the Swedish UCITS Act (SFS 2004:46). The Management Company is also authorised as an alternative investment fund manager to manage alternative investment funds under the Swedish AIFM Act (SFS 2013:561).

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

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

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

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

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

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

Currently, the following unit classes are offered for the Fund:

• Capitalisation units ("C (EUR)" units)	LU1160606635
• Capitalisation units ("C (SEK)" units)	LU0956267693
• Distribution units ("D (EUR)" units)	LU0099984899
• Capitalisation units ("IC (EUR)" units)*	LU2030514256
• Capitalisation units ("IC (SEK)" units)	LU0956267933
• Capitalisation units ("UC (EUR)" units)	LU1748252118
• Distribution units ("UD (EUR)" units)	LU1808743485
• Capitalisation units ("ZC (EUR)" units)	LU1716944183

*) IC (EUR) launched on 23 August 2019.

The base currency of the 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 Management 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 ("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 Fund may be obtained, free of charge at the registered office of the Management Company, at the address of its Branch and on the website. These reports as well as copies of the Prospectus, the Management Regulations and the KIID are available, free of charge, at the registered office of the Management Company, at the address of the Branch and on the website.

Management Report

Dear Unitholders,

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

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

2019 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.

As might be deducted from the above, we entered year 2020 on more precarious footing than at the start of 2019. 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.

The effect of COVID-19 on the economy and our funds

As we write this update, 27 April 2020, the COVID-19 pandemic has spread to most countries. The impact on global financial markets has been substantial. We have seen sharp corrections in all regions, the announcement of massive fiscal and monetary stimulus, significant slowdowns in growth and rapidly rising unemployment rates.

The brutal correction in the financial markets in March had dramatically negative effects on the net asset values of several of our funds. However, as volatility lessened in April, markets stabilised and flows normalised. In this challenging market situation of low liquidity and high volatility, we closely monitor the inflows and outflows of our funds to ensure they have higher cash levels than normally as well as make all other adjustments needed in these circumstances. As a precaution, our fund management team members are located in various geographic locations to reduce the risk of illness in several people on the same team at the same time. We are in daily contact via online meetings to review the current condition of each portfolio and make necessary adjustments – considering short term and long term requirements and goals.

Looking ahead, it is difficult to know at this time exactly how companies and businesses will be affected by the shutdown to halt the spread of the virus. However, we regard the stimulus packages from governments and central banks as encouraging and believe these may calm the markets to some degree and perhaps limit the harshest aspects of an economic slowdown.

Luxembourg, 27 April 2020

SEB Investment Management AB

The Board of Directors

Schedule of Investments

As at 31 December 2019

SEB European Equity Small Caps

Security description	Total holdings	Market value in EUR	% of Net Assets
Transferable securities admitted to an official stock exchange listing			
Shares			
Denmark			
Asetek A/S	509,760	1,606,644.51	0.81
Better Collective A/S	273,654	2,054,962.30	1.03
Chemometec A/S	213,735	5,865,173.22	2.95
Netcompany Group A/S '144A'	135,644	5,755,872.79	2.90
Total Denmark		15,282,652.82	7.69
Faroe Islands			
Bakkafrost P/F	107,612	7,111,584.99	3.58
Total Faroe Islands		7,111,584.99	3.58
Finland			
Harvia Oyj	323,844	3,384,169.80	1.70
Huhtamaki Oyj	144,416	5,975,934.08	3.01
Total Finland		9,360,103.88	4.71
France			
ATEMESA	79,329	904,350.60	0.46
Aubay	46,954	1,580,002.10	0.79
Devoteam SA	21,428	2,024,946.00	1.02
ID Logistics Group	15,362	2,737,508.40	1.38
Total France		7,246,807.10	3.65
Germany			
AURELIUS Equity Opportunities SE & Co KGaA	93,037	3,628,443.00	1.83
CANCOM SE	48,171	2,533,794.60	1.27
CTS Eventim AG & Co KGaA	106,192	5,952,061.60	2.99
Encavis AG	154,460	1,450,379.40	0.73
JOST Werke AG '144A'	46,165	1,721,954.50	0.87
Jungheinrich AG - Preference	88,841	1,910,081.50	0.96
Medios AG	267,172	7,053,340.80	3.55
Mensch und Maschine Software SE	140,990	6,020,273.00	3.03
Total Germany		30,270,328.40	15.23
Italy			
Carel Industries SpA '144A'	254,198	3,523,184.28	1.77
Datalogic SpA	179,529	3,028,654.23	1.52
Interpump Group SpA	129,750	3,664,140.00	1.84
Reply SpA	87,131	6,051,247.95	3.05
Total Italy		16,267,226.46	8.18
Luxembourg			
Aroundtown SA	853,656	6,815,589.50	3.43
Total Luxembourg		6,815,589.50	3.43
Netherlands			
Intertrust NV '144A'	222,417	3,827,796.57	1.92
TKH Group NV Dutch Cert	92,153	4,589,219.40	2.31
Total Netherlands		8,417,015.97	4.23

SEB European Equity Small Caps

Security description	Total holdings	Market value in EUR	% of Net Assets
Norway			
Medistim ASA	498,962	9,740,046.85	4.90
Total Norway		9,740,046.85	4.90
Singapore			
XP Power Ltd	107,310	3,906,357.64	1.96
Total Singapore		3,906,357.64	1.96
Spain			
Faes Farma SA	567,794	2,895,749.40	1.46
Total Spain		2,895,749.40	1.46
Sweden			
AAK AB	339,028	5,780,182.70	2.91
Beijer Ref AB	217,569	5,726,638.12	2.88
Fortnox AB	105,781	1,702,170.05	0.86
HMS Networks AB	93,073	1,540,470.72	0.77
INVISIO Communications AB	580,395	5,659,231.19	2.85
Medicover AB	499,114	5,191,771.54	2.61
Probi AB	69,059	1,468,450.31	0.74
Thule Group AB '144A'	199,975	4,137,285.13	2.08
Wihlborgs Fastigheter AB	134,297	2,218,918.78	1.11
Total Sweden		33,425,118.54	16.81
Switzerland			
ALSO Holding AG	23,913	3,598,845.82	1.81
SIG Combibloc Group AG	426,144	6,067,963.96	3.05
Total Switzerland		9,666,809.78	4.86
United Kingdom			
Animalcare Group Plc	329,320	674,570.86	0.34
Britvic Plc	257,802	2,733,920.60	1.38
Burford Capital Ltd	736,593	6,190,467.52	3.11
Coats Group Plc	5,624,901	4,934,667.99	2.48
Games Workshop Group Plc	82,576	5,929,797.01	2.98
IQE Plc	2,561,124	1,477,913.25	0.74
Moneysupermarket.com Group Plc	654,856	2,567,804.98	1.29
Rotork Plc	843,396	3,299,205.75	1.66
Sabre Insurance Group Plc '144A'	1,366,369	4,877,971.49	2.46
Total United Kingdom		32,686,319.45	16.44
Total Shares		193,091,710.78	97.13
Total Transferable securities admitted to an official stock exchange listing		193,091,710.78	97.13
Other Transferable Securities			
Shares			
Spain			
Faes Farma S.A. Eur Rights 20/01/2020	586,374	86,431.53	0.04
Total Spain		86,431.53	0.04

SEB European Equity Small Caps

Security description	Total holdings	Market value in EUR	% of Net Assets
United Kingdom			
Patisserie Holdings Plc*	1,065,235	0.00	0.00
Total United Kingdom		0.00	0.00
Total Shares		86,431.53	0.04
Total Other Transferable Securities		86,431.53	0.04
Total Portfolio		193,178,142.31	97.17
Cash at bank			
Cash at bank		4,236,657.25	2.13
Total Cash at bank		4,236,657.25	2.13
Other assets			
Dividends receivable		128,503.75	0.06
Receivable on subscriptions		1,421,366.56	0.72
Total other assets		1,549,870.31	0.78
Liabilities			
Management fees		(44,999.50)	(0.01)
Taxe d'abonnement		(17,409.62)	(0.01)
Payable on redemptions		(91,324.42)	(0.05)
Bank interest payable on cash accounts		(183.01)	(0.00)
Other liabilities		(10,816.62)	(0.01)
Total liabilities		(164,733.17)	(0.08)
Total Net Assets as at 31 December 2019		198,799,936.70	100.00

* Positions fair valued by the Management Company.

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

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

Statement of Operations

For the year ended 31 December 2019

SEB European Equity Small Caps	
	EUR
Income	
Investment income (note 1)	4,130,614.01
Bank interest on cash accounts	13,612.81
Total income	4,144,226.82
Expenses	
Management fees (note 2)	2,471,620.15
Taxe d'abonnement (note 3)	95,313.80
Bank interest on cash accounts	13,024.82
Other expenses	26,621.05
Total expenses	2,606,579.82
Net income for the year	1,537,647.00

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

Statement of Changes in Net Assets

For the year ended 31 December 2019

	SEB European Equity Small Caps
	EUR
Net Assets at the beginning of the year	209,062,231.63
Net income for the year	1,537,647.00
Net realised gain / (loss) on:	
- sales of securities	16,962,228.00
- foreign exchange	67,034.46
Total net realised gain	17,029,262.46
Change in net unrealised appreciation / (depreciation) on:	
- securities	42,068,314.68
Total change in net unrealised appreciation	42,068,314.68
Increase in Net Assets as a result of operations	60,635,224.14
Proceeds on issues of units	56,832,792.34
Payment on redemptions of units	(125,913,913.13)
Dividends paid	(1,816,398.28)
Total Net Assets as at 31 December 2019	198,799,936.70

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

Statement of Net Assets

As at 31 December 2019

SEB European Equity Small Caps	
	EUR
Assets	
Portfolio at cost	144,314,187.28
Unrealised appreciation	48,863,955.03
Portfolio at market value (note 1)	193,178,142.31
Receivable interest and / or dividends	128,503.75
Cash at bank	4,236,657.25
Other assets	1,421,366.56
Total Assets	198,964,669.87
Liabilities	
Other liabilities	(164,733.17)
Total Liabilities	(164,733.17)
Total Net Assets as at 31 December 2019	198,799,936.70
"C (EUR)" units outstanding as at 31 December 2019	174,330.1960
"C (SEK)" units outstanding as at 31 December 2019	8,967.0360
"D (EUR)" units outstanding as at 31 December 2019	332,801.2490
"IC (EUR)" units outstanding as at 31 December 2019	10.0000
"IC (SEK)" units outstanding as at 31 December 2019	1,500.9960
"UC (EUR)" units outstanding as at 31 December 2019	3,672.5160
"UD (EUR)" units outstanding as at 31 December 2019	10.1710
"ZC (EUR)" units outstanding as at 31 December 2019	505,120.3620
Net Asset Value per "C (EUR)" unit as at 31 December 2019	137.359
Net Asset Value per "C (SEK)" unit as at 31 December 2019	143.999
Net Asset Value per "D (EUR)" unit as at 31 December 2019	344.285
Net Asset Value per "IC (EUR)" unit as at 31 December 2019	117.472
Net Asset Value per "IC (SEK)" unit as at 31 December 2019	252.060
Net Asset Value per "UC (EUR)" unit as at 31 December 2019	111.626
Net Asset Value per "UD (EUR)" unit as at 31 December 2019	109.657
Net Asset Value per "ZC (EUR)" unit as at 31 December 2019	118.197

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

Statistical Information

As at 31 December 2019

SEB European Equity Small Caps	
	EUR
Number of "C (EUR)" units outstanding	
as at 31 December 2019	174,330.1960
as at 31 December 2018	338,209.0880
as at 31 December 2017	357,028.5200
Number of "C (SEK)" units outstanding	
as at 31 December 2019	8,967.0360
as at 31 December 2018	2,269,676.8540
as at 31 December 2017	2,356,800.0280
Number of "D (EUR)" units outstanding	
as at 31 December 2019	332,801.2490
as at 31 December 2018	350,937.6160
as at 31 December 2017	619,944.4830
Number of "IC (EUR)" units outstanding	
as at 31 December 2019	10.0000
as at 31 December 2018	—
as at 31 December 2017	—
Number of "IC (SEK)" units outstanding	
as at 31 December 2019	1,500.9960
as at 31 December 2018	271,000.7180
as at 31 December 2017	548,026.6910
Number of "UC (EUR)" units outstanding	
as at 31 December 2019	3,672.5160
as at 31 December 2018	10.0000
as at 31 December 2017	—
Number of "UD (EUR)" units outstanding	
as at 31 December 2019	10.1710
as at 31 December 2018	10.0000
as at 31 December 2017	—
Number of "ZC (EUR)" units outstanding	
as at 31 December 2019	505,120.3620
as at 31 December 2018	625,689.3920
as at 31 December 2017	10.0000
Total Net Assets	
as at 31 December 2019	198,799,936.70
as at 31 December 2018	209,062,231.63
as at 31 December 2017	278,507,349.00
Net Asset Value per "C (EUR)" unit	
as at 31 December 2019	137.359
as at 31 December 2018	102.378
as at 31 December 2017	121.187
Net Asset Value per "C (SEK)" unit	
as at 31 December 2019	143.999
as at 31 December 2018	105.762
as at 31 December 2017	120.359
Net Asset Value per "D (EUR)" unit	
as at 31 December 2019	344.285
as at 31 December 2018	261.302
as at 31 December 2017	314.454

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

SEB European Equity Small Caps	
	EUR
Net Asset Value per "IC (EUR)" unit	
as at 31 December 2019	117.472
as at 31 December 2018	—
as at 31 December 2017	—
Net Asset Value per "IC (SEK)" unit	
as at 31 December 2019	252.060
as at 31 December 2018	183.639
as at 31 December 2017	207.339
Net Asset Value per "UC (EUR)" unit	
as at 31 December 2019	111.626
as at 31 December 2018	82.586
as at 31 December 2017	—
Net Asset Value per "UD (EUR)" unit	
as at 31 December 2019	109.657
as at 31 December 2018	82.500
as at 31 December 2017	—
Net Asset Value per "ZC (EUR)" unit	
as at 31 December 2019	118.197
as at 31 December 2018	87.132
as at 31 December 2017	102.017
Dividend paid per D (EUR) unit	
2019	5.5623
2018	5.3551
2017	4.1190
Dividend paid per UD (EUR) unit	
2019	1.6500
2018	—
2017	—

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 the last official Net Asset Value of the period which has been calculated on 30 December 2019 with the prices as 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 Management 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 Management 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.

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

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

Swing pricing:

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 Fund. While performing these transactions brokerage and transaction costs will occur. Acting in the Unitholders' interest, the Net Asset Value will be adjusted if on any Valuation Day the aggregate transactions in units of all Classes of a Fund result in a net increase or decrease of units which exceeds a threshold set by the Board of Directors of the Management Company from time to time (relating to the cost of market dealing for the Fund), the Net Asset Value per unit of the relevant Fund will be adjusted to reflect both the estimated fiscal charges and dealing costs (brokerage and transaction costs) that may be incurred by the Fund and the estimated bid/offer spread of the assets in which the respective Fund invests following the net movement of units of the Fund. The adjustment will be an addition when the net movement results in an increase of all units of the Fund and a deduction when it results in a decrease. Adjustments made during the year are recorded in "Proceeds on issues of units" and "Payment on redemptions of units" in the Statement of Changes in Net Assets.

The Board of Directors of the Management Company or swing price committee may also decide a maximum swing factor to apply to the Fund. The Fund will not have a higher maximum swing factor than 0.99%. The list of Funds that currently apply swing pricing, including the size of a maximum swing factor, is available on SEB Investment Management's website. Investors may also request this information, free of charge.

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

Currency translation:

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

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

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

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

As at 30 December 2019, the exchange rates were as follows:

1 CHF	=	0.921037101	EUR	1 NOK	=	0.101669888	EUR
1 DKK	=	0.133860159	EUR	1 SEK	=	0.095782462	EUR
1 GBP	=	1.170500000	EUR	1 USD	=	0.892591604	EUR

Income:

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

Note 2. Management Fees

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

- 1.50% is charged on SEB European Equity Small Caps "C (EUR)" units (maximum rate: 1.50%)
- 1.65% is charged on SEB European Equity Small Caps "C (SEK)" units (maximum rate: 1.65%)
- 1.50% is charged on SEB European Equity Small Caps "D (EUR)" units (maximum rate: 1.50%)
- 0.90% is charged on SEB European Equity Small Caps "IC (EUR)" units (maximum rate: 0.90%)
- 0.90% is charged on SEB European Equity Small Caps "IC (SEK)" units (maximum rate: 0.90%)
- 0.75% is charged on SEB European Equity Small Caps "UC (EUR)" units (maximum rate: 1.65%)
- 0.75% is charged on SEB European Equity Small Caps "UD (EUR)" units (maximum rate: 0.75%)
- 0.45% is charged on SEB European Equity Small Caps "ZC (EUR)" units (maximum rate: 0.45%)

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

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

Note 3. Taxation

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

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

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

Note 4. Transaction Fees

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

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

SEB European Equity Small Caps	175,624.95	EUR
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Note 5. Significant Events during the year

Auditor

Ernst & Young S.A. were appointed Auditor of the 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 period. Please refer to the Organisation section on page 3 for details.

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

Depositary

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 depositary duties undertaken pursuant to the Depositary 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 Unitholders of
SEB European Equity Small Caps
4, rue Peterelchen
L-2370 Howald, Luxembourg

Opinion

We have audited the financial statements of SEB European Equity Small Caps (the "Fund"), which comprise the statement of net assets and the schedule of investments as at 31 December 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 as at 31 December 2019, and of the results of its operations and changes in the 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 European Equity Small Caps for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 18 April 2019.

Other information

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

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

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

Responsibilities of the Board of Directors for the financial statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young
Société anonyme
Cabinet de révision agréé



Nadia Faber

Luxembourg, 27 April 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 European Equity Small Caps, the global exposure is calculated and monitored daily by using the commitment methodology.

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

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

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

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

Remuneration Disclosure (unaudited)

SEB Investment Management AB (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 unitholders.

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 unitholders' 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 unitholders 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 unitholders. This implies that certain maximum levels and deferment of payment shall apply to different personnel categories.

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

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

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

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

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

The remuneration committee

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

Follow up

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

Regulated staff	Paid remuneration and benefits, 2019 (thousand)
	EUR
- Employees in leading strategic positions	1,878
- Employees responsible for control	360
- Risk-takers	10,745
- Employees whose total remuneration amounts to or exceeds the total remuneration to any of the Executive Board	-
	Total remuneration paid (thousand)
	EUR
- All employees (fixed remuneration)	16,548
- All employees (variable remuneration)	3,949
- Executive management and employees that significantly affect the risk profile of the alternative investment fund	12,623
<i>Number of employees during the year</i>	<i>180</i>

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