

# Annual Report

## SEB Green Bond Fund

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 Green Bond Fund

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

# Organisation

<b>Management Company:</b>	SEB Investment Management AB Stjärntorget 4 SE-169 79 Solna, Sweden
<b>Board of Directors of the Management Company:</b>	<b>Chairperson</b> Johan Wigh Partner Advokatfirman, Törngren Magnell Sweden  <b>Members</b> Mikael Huldt (since 22 August 2019) Head of Alternative Investments AFA Försäkring Sweden  Martin Gärtner (since 22 August 2019) Former Head of Private Banking Skandinaviska Enskilda Banken (publ.) Sweden  Viveka Hirdman-Ryrberg (since 22 August 2019) Head of Corporate Communication & Sustainability Investor AB Sweden  Karin S. Thorburn Research Chair Professor of Finance Norwegian School of Economics Norway  Magnus Wallberg (until 14 March 2019) Chief Financial Officer SEB Life & Investment Management Division Sweden  Jenny Askfelt Ruud (until 21 August 2019) Head of Alternative Investments AP4 Sweden
<b>Branch of the Management Company:</b>	SEB Investment Management AB, Luxembourg Branch 4, rue Peternelchen L-2370 Howald, Luxembourg
<b>Central Administration (including the administrative, registrar and transfer agent function) and Paying Agent in Luxembourg:</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch 2-4, rue Eugène Ruppert L-2453 Luxembourg
<b>Investment Manager:</b>	SEB Investment Management AB Stjärntorget 4 SE-169 79 Solna, Sweden

<b>Depository:</b>	Skandinaviska Enskilda Banken S.A.* 4, rue Peternelchen L-2370 Howald, Luxembourg
<b>Auditor of the Fund:</b>	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
<b>Auditor of the Management Company:</b>	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
<b>Global Distributor:</b>	Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE-106 40 Stockholm, Sweden
<b>Representatives and Paying Agents outside Luxembourg:</b>	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 Green Bond Fund (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 10 October 1989 for an undetermined duration. The Management Regulations lastly modified with effect from 19 October 2017, have been published in the *Recueil Electronique des Sociétés et Associations (RESA)* on 23 October 2017. The Fund is registered in Luxembourg at the Luxembourg Register of Commerce under the number K 55. 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, for the Fund, capitalisation Units ("C" Units) and distribution Units ("D" Units).

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.

The Management Company may issue Unit Classes whose Reference Currency is not the Base Currency of the respective Fund. With regard to such Unit Classes, the Management Company has the ambition to hedge the currency exposure from the Base Currency into the currency exposure of the Reference Currency. Considering the practical challenges of doing so, the Management Company does not guarantee how successful such currency hedging of Unit Classes will be. For Unit Classes where the Management Company has an ambition to currency-hedge the Unit Class, an "H-" will precede the currency denomination of the Unit Class. For example "(H-SEK)" means that there is an ambition by the Management Company to hedge the currency exposure from a Base Currency into a SEK-exposure for the Unit Class. The ambition of such hedging activity is to limit the performance impact related to fluctuations in the exchange rate between the Base Currency and the Reference Currency of the Unit Class. The profit and loss effects related to currency hedging of a particular Unit Class, will be allocated to the relevant Unit Class.

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

• Capitalisation units ("C (EUR)" units)	LU1116557585
• Capitalisation units ("C (H-NOK)" units)	LU1116558120
• Capitalisation units ("C (H-SEK)" units)	LU1116557668
• Distribution units ("D (EUR)" units)	LU0041441808
• Distribution units ("D (H-SEK)" units)	LU1116557742
• Capitalisation units ("HNWC (H-SEK)" units)	LU1116557825

• Distribution units ("HNWD (H-SEK)" units)	LU1116558047
• Capitalisation units ("IC (EUR)" units)	LU1144887475
• Capitalisation units ("IC (H-CHF)" units)	LU1672055347
• Capitalisation units ("UC (H-SEK)" units)	LU1748252035

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](http://www.sebgroup.lu) ("website"). When registered in other countries, the publication media might differ according to the regulatory requirements. Information about ongoing charges can be found in the Key Investor Information Document ("KIID").

The audited annual and un-audited semi-annual reports of the 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 Green Bond Fund.

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 Green Bond Fund

Security description	Maturity	Total holdings	Market value in EUR	% of Net Assets
Bonds indicated in 1,000 currency units				
Transferable securities admitted to an official stock exchange listing				
Bonds				
<b>Canada</b>				
1.65 % Export Development Canada	31/07/24	1,000	675,091.79	0.61
1.80 % Export Development Canada	01/09/22	1,000	683,254.25	0.61
1.65 % Province of Quebec Canada	03/03/22	1,000	681,176.04	0.61
<b>Total Canada</b>			<b>2,039,522.08</b>	<b>1.83</b>
<b>China</b>				
0.38 % China Development Bank 'EMTN'	16/11/21	500	503,050.05	0.45
<b>Total China</b>			<b>503,050.05</b>	<b>0.45</b>
<b>Denmark</b>				
0.75 % Kommunekredit 'EMTN'	18/05/27	500	525,655.00	0.47
<b>Total Denmark</b>			<b>525,655.00</b>	<b>0.47</b>
<b>Finland</b>				
1.38 % Municipality Finance Plc 'REGS'	21/09/21	2,000	1,774,543.52	1.59
0.30 % Nordea Bank Abp 'EMTN'	30/06/22	1,000	1,009,690.00	0.91
0.90 % Stora Enso Oyj 'EMTN' FRN	20/08/21	7,000	674,788.40	0.60
<b>Total Finland</b>			<b>3,459,021.92</b>	<b>3.10</b>
<b>France</b>				
0.50 % BNP Paribas SA 'EMTN'	01/06/22	1,000	1,014,820.00	0.91
0.13 % BPCE SA	04/12/24	300	298,641.00	0.27
1.75 % French Republic Government Bond OAT '144A'	25/06/39	2,095	2,534,300.55	2.27
1.50 % ICADE	13/09/27	500	528,375.00	0.47
0.88 % Regie Autonome des Transports Parisiens 'EMTN'	25/05/27	400	420,828.00	0.38
1.00 % SNCF Reseau 'EMTN'	09/11/31	1,000	1,055,670.00	0.94
1.13 % Societe Du Grand Paris EPIC 'EMTN'	22/10/28	300	323,298.00	0.29
<b>Total France</b>			<b>6,175,932.55</b>	<b>5.53</b>
<b>Germany</b>				
0.13 % Berlin Hyp AG	05/05/22	500	504,995.00	0.45
0.50 % Berlin Hyp AG 'EMTN'	26/09/23	1,000	1,013,360.00	0.91
0.63 % Deutsche Kreditbank AG	08/06/21	1,000	1,007,870.10	0.90
1.88 % Kreditanstalt fuer Wiederaufbau	30/11/20	1,000	894,082.23	0.80
2.00 % Kreditanstalt fuer Wiederaufbau	29/09/22	1,000	900,598.15	0.81
0.05 % Kreditanstalt fuer Wiederaufbau 'EMTN'	30/05/24	1,000	1,017,200.00	0.91
0.13 % Kreditanstalt fuer Wiederaufbau 'EMTN'	27/10/20	1,000	1,005,040.00	0.90
0.50 % Kreditanstalt fuer Wiederaufbau 'EMTN'	27/01/21	15,210	1,462,503.83	1.31
1.63 % Kreditanstalt fuer Wiederaufbau 'EMTN'	05/06/20	1,000	1,174,784.03	1.05
2.40 % Kreditanstalt fuer Wiederaufbau 'MTN'	02/07/20	1,000	628,596.53	0.57
0.63 % NRW Bank 'EMTN'	02/02/29	500	523,080.00	0.47
0.88 % NRW Bank 'EMTN'	10/11/25	2,000	2,115,580.00	1.90
<b>Total Germany</b>			<b>12,247,689.87</b>	<b>10.98</b>
<b>India</b>				
2.88 % Axis Bank Ltd/Dubai 'REGS'	01/06/21	2,000	1,787,557.50	1.60
<b>Total India</b>			<b>1,787,557.50</b>	<b>1.60</b>
<b>International Organisations</b>				
0.38 % African Development Bank	01/06/22	10,000	959,481.66	0.86
1.88 % Asian Development Bank	10/08/22	1,000	897,509.69	0.80

## SEB Green Bond Fund

Security description	Maturity	Total holdings	Market value in EUR	% of Net Assets
2.45 % Asian Development Bank	17/01/24	3,000	1,951,586.90	1.75
2.13 % Asian Development Bank 'GMTN'	19/03/25	1,100	998,768.05	0.89
2.50 % European Investment Bank	15/10/24	1,000	923,269.98	0.83
0.38 % European Investment Bank 'EMTN'	15/05/26	350	361,949.00	0.32
0.50 % European Investment Bank 'EMTN'	15/11/23	3,000	3,106,890.00	2.78
2.25 % European Investment Bank 'EMTN'	07/03/20	2,100	2,464,662.15	2.21
2.75 % European Investment Bank 'EMTN'	13/11/23	7,000	732,489.67	0.66
2.70 % European Investment Bank 'MTN'	12/01/23	2,000	1,300,296.04	1.17
1.13 % European Investment Bank 'REGS'	16/09/21	1,000	675,638.69	0.61
2.38 % European Investment Bank 'REGS'	18/01/23	1,000	693,399.22	0.62
0.43 % International Bank for Reconstruction & Development	12/11/26	10,000	946,369.04	0.85
1.50 % International Bank for Reconstruction & Development 'EMTN'	12/07/22	2,150	1,881,995.48	1.69
2.25 % Nordic Investment Bank	30/09/21	3,300	2,973,358.01	2.66
0.13 % Nordic Investment Bank 'EMTN'	10/06/24	2,000	2,039,240.00	1.83
0.38 % Nordic Investment Bank 'EMTN'	01/02/24	2,450	234,779.67	0.21
0.63 % Nordic Investment Bank 'EMTN'	20/01/21	27,000	2,597,169.23	2.33
<b>Total International Organisations</b>			<b>25,738,852.48</b>	<b>23.07</b>
<b>Ireland</b>				
1.35 % Ireland Government Bond	18/03/31	500	560,035.00	0.50
<b>Total Ireland</b>			<b>560,035.00</b>	<b>0.50</b>
<b>Italy</b>				
0.75 % Intesa Sanpaolo SpA 'EMTN'	04/12/24	700	703,185.00	0.63
0.88 % Intesa Sanpaolo SpA 'EMTN'	27/06/22	1,000	1,016,730.00	0.91
1.00 % Terna Rete Elettrica Nazionale SpA 'EMTN'	23/07/23	250	257,655.00	0.23
<b>Total Italy</b>			<b>1,977,570.00</b>	<b>1.77</b>
<b>Japan</b>				
0.68 % Mitsubishi UFJ Financial Group Inc 'EMTN'	26/01/23	1,000	1,015,630.00	0.91
<b>Total Japan</b>			<b>1,015,630.00</b>	<b>0.91</b>
<b>Netherlands</b>				
0.63 % ABN AMRO Bank NV 'EMTN'	31/05/22	600	609,822.00	0.55
0.75 % ABN AMRO Bank NV 'EMTN'	09/06/20	2,000	2,009,720.00	1.80
0.13 % Cooperatieve Rabobank UA 'GMTN'	11/10/21	1,000	1,005,060.00	0.90
0.75 % ING Bank NV 'EMTN'	24/11/20	2,200	2,219,954.00	1.99
2.75 % Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden NV	20/02/24	1,600	1,479,174.24	1.32
1.00 % Nederlandse Waterschapsbank NV 'EMTN'	03/09/25	2,000	2,128,440.00	1.91
2.13 % Nederlandse Waterschapsbank NV 'REGS'	15/11/21	1,000	899,250.34	0.81
2.38 % Nederlandse Waterschapsbank NV 'REGS'	24/03/26	1,500	1,372,774.65	1.23
0.75 % TenneT Holding BV 'EMTN'	26/06/25	800	824,264.00	0.74
1.75 % TenneT Holding BV 'EMTN'	04/06/27	1,000	1,104,150.00	0.99
<b>Total Netherlands</b>			<b>13,652,609.23</b>	<b>12.24</b>
<b>Norway</b>				
2.81 % Entra ASA FRN	22/09/23	10,000	1,029,773.63	0.92
0.13 % Kommunalbanken AS 'EMTN'	28/08/26	10,000	919,837.30	0.82
1.38 % Kommunalbanken AS 'REGS'	26/10/20	2,000	1,779,720.55	1.60
2.38 % Norske Tog AS 'EMTN' FRN	11/03/25	6,000	610,080.33	0.55
<b>Total Norway</b>			<b>4,339,411.81</b>	<b>3.89</b>
<b>Spain</b>				
0.20 % Instituto de Credito Oficial 'GMTN'	31/01/24	1,000	1,011,670.00	0.91
<b>Total Spain</b>			<b>1,011,670.00</b>	<b>0.91</b>

## SEB Green Bond Fund

Security description	Maturity	Total holdings	Market value in EUR	% of Net Assets
<b>Sweden</b>				
1.20 % Atrium Ljungberg AB FRN	21/03/22	6,000	580,746.31	0.52
0.89 % City of Gothenburg Sweden 'EMTN'	15/06/22	4,000	388,497.50	0.35
1.46 % City of Gothenburg Sweden 'EMTN'	30/06/21	2,220	216,445.40	0.19
2.00 % City of Gothenburg Sweden 'EMTN'	03/06/20	1,100	106,144.59	0.10
0.91 % City of Norrköping Sweden 'MTN' FRN	13/10/21	3,000	292,163.33	0.26
0.98 % City of Östersund Sweden FRN	18/09/24	7,000	695,412.28	0.62
1.06 % City of Västerås/Sweden FRN	30/11/21	8,000	780,282.25	0.70
1.88 % Kommuninvest i Sverige AB 'REGS'	01/06/21	2,500	2,235,808.08	2.00
0.93 % Region Skåne FRN	18/10/21	3,000	292,215.05	0.26
0.63 % Riksbank AB 'MTN' FRN	19/10/22	10,000	964,309.09	0.87
1.05 % SBAB Bank AB 'EMTN'	23/06/21	10,000	965,113.67	0.87
0.30 % Skandinaviska Enskilda Banken AB 'GMTN'	17/02/22	1,500	1,510,290.00	1.35
1.67 % Södra Skogsägarna Ekonomisk Förening FRN	07/06/21	3,000	291,439.21	0.26
0.67 % Stockholm Exergi Holding AB FRN	11/09/23	4,000	384,666.20	0.35
0.39 % Stockholms Läns Landsting 'EMTN' FRN	28/05/21	20,000	1,922,986.18	1.72
1.88 % Svensk Exportkredit AB 'GMTN'	23/06/20	1,000	892,939.71	0.80
0.38 % Svenska Handelsbanken AB 'EMTN'	03/07/23	1,000	1,011,920.00	0.91
0.38 % Vasakronan AB 'MTN'	23/02/21	10,000	956,742.28	0.86
0.98 % Vasakronan AB 'MTN' FRN	22/10/20	8,000	771,186.75	0.69
<b>Total Sweden</b>			<b>15,259,307.88</b>	<b>13.68</b>
<b>United Arab Emirates</b>				
3.00 % First Abu Dhabi Bank PJSC 'EMTN'	30/03/22	500	453,369.59	0.40
<b>Total United Arab Emirates</b>			<b>453,369.59</b>	<b>0.40</b>
<b>United Kingdom</b>				
2.75 % LTC GB Ltd	26/05/21	1,000	890,984.94	0.80
<b>Total United Kingdom</b>			<b>890,984.94</b>	<b>0.80</b>
<b>United States of America</b>				
0.50 % Citigroup Inc 'EMTN'	29/01/22	1,000	1,011,280.00	0.91
<b>Total United States of America</b>			<b>1,011,280.00</b>	<b>0.91</b>
<b>Total Bonds</b>			<b>92,649,149.90</b>	<b>83.04</b>
<b>Total Transferable securities admitted to an official stock exchange listing</b>			<b>92,649,149.90</b>	<b>83.04</b>
<b>Bonds indicated in 1,000 currency units</b>				
<b>Other Transferable Securities</b>				
<b>Bonds</b>				
<b>Sweden</b>				
0.58 % Fastighets AB Förvaltaren FRN	10/07/20	1,000	95,973.07	0.09
0.77 % Stångastaden AB FRN	09/09/20	8,000	768,979.92	0.69
0.91 % Stångastaden AB FRN	07/10/21	9,000	870,300.52	0.78
1.06 % Stockholms Kooperativa Bostadsförening kooperativ hyresrättsförening FRN	30/11/21	5,000	484,980.13	0.43

## SEB Green Bond Fund

Security description	Maturity	Total holdings	Market value in EUR	% of Net Assets
0.77 % Uppsalahem AB FRN	10/09/20	6,000	576,338.40	0.52
Total Sweden			2,796,572.04	2.51
Total Bonds			2,796,572.04	2.51
Total Other Transferable Securities			2,796,572.04	2.51
Total Portfolio			95,445,721.94	85.55
Financial futures cleared with Skandinaviska Enskilda Banken AB (publ)				
Purchased financial futures contracts		Commitment in EUR		
CBOT 10 Year U.S. Treasury Note Future	2,294,518.29	20/03/20	20	(21,756.92) (0.02)
CBOT Five Year Treasury Note Future	3,176,719.56	31/03/20	30	(13,598.09) (0.01)
CBOT Two Year Treasury Note Future	17,308,048.46	31/03/20	90	(17,518.75) (0.02)
Eurex Euro Bobl Future	3,207,120.00	06/03/20	24	(14,160.00) (0.01)
Eurex Euro Schatz Future	15,666,700.00	06/03/20	140	(9,800.00) (0.01)
MSE Canadian Government 10-year Bond Future	1,321,238.96	20/03/20	14	(18,950.04) (0.02)
Sold financial futures contracts		Commitment in EUR		
Eurex Euro Bund Future	(5,114,700.00)	06/03/20	(30)	61,500.00 0.06
Swedish Government 5-year Bond Future	(1,630,532.69)	12/03/20	(13)	4,084.77 0.00
Total financial futures contracts (total net unrealised)			(30,199.03)	(0.03)
An amount of EUR 277,608.01 is held as cash collateral for these positions.				
Forward foreign exchange contracts open with Skandinaviska Enskilda Banken S.A. *				
Buy 1,182 CHF	Sell 1,084 EUR	09/01/20	5.42	0.00
Buy 3,766,362 EUR	Sell 6,100,000 AUD	10/02/20	(37,086.59)	(0.03)
Buy 3,261,091 EUR	Sell 4,800,000 CAD	02/03/20	(9,070.36)	(0.01)
Buy <sup>1</sup> 3,598,166 EUR	Sell <sup>1</sup> 3,100,000 GBP	10/02/20	(25,139.73)	(0.02)
Buy <sup>1</sup> 926,958 EUR	Sell <sup>1</sup> 9,400,000 NOK	10/02/20	(26,386.72)	(0.02)
Buy 590,747 EUR	Sell 6,000,000 NOK	10/02/20	(17,770.24)	(0.02)
Buy 16,258,771 EUR	Sell 176,339,318 SEK	09/01/20	(629,179.29)	(0.56)
Buy 932,244 EUR	Sell 10,000,000 SEK	10/02/20	(24,983.86)	(0.02)
Buy <sup>1</sup> 905,292 EUR	Sell <sup>1</sup> 9,700,000 SEK	10/02/20	(23,219.91)	(0.02)
Buy 3,785,871 EUR	Sell 40,000,000 SEK	02/03/20	(42,061.93)	(0.04)
Buy <sup>1</sup> 3,984,878 EUR	Sell <sup>1</sup> 42,000,000 SEK	02/03/20	(34,451.37)	(0.03)
Buy 13,025,556 EUR	Sell 14,400,000 USD	09/01/20	179,130.87	0.16
Buy 5,142,900 EUR	Sell 5,700,000 USD	10/02/20	68,273.63	0.06
Buy 5,299,084 EUR	Sell 5,900,000 USD	02/03/20	52,784.80	0.05
Buy 137,720 NOK	Sell 13,652 EUR	09/01/20	342.37	0.00
Buy 1,038,916,239 SEK	Sell 95,596,809 EUR	09/01/20	3,899,812.35	3.49
Buy 1,800,000 USD	Sell 1,605,709 EUR	09/01/20	93.99	0.00
Total forward foreign exchange contracts (total net unrealised)			3,331,093.43	2.99
An amount of EUR 4,058,563.97 is held as cash collateral for these positions.				

## SEB Green Bond Fund

	Market value in EUR	% of Net Assets
<b>Cash at bank and at broker</b>		
Cash at bank and at broker	12,649,129.18	11.34
<b>Total Cash at bank and at broker</b>	<b>12,649,129.18</b>	<b>11.34</b>
<b>Other assets</b>		
Interest receivable on bonds	402,794.86	0.36
Receivable on subscriptions	47,788.86	0.04
<b>Total other assets</b>	<b>450,583.72</b>	<b>0.40</b>
<b>Liabilities</b>		
Management fees	(6,818.41)	(0.01)
Taxe d'abonnement	(13,446.66)	(0.01)
Payable on redemptions	(246,732.76)	(0.22)
Bank interest payable on cash accounts	(1,715.88)	(0.00)
Other liabilities	(10,236.69)	(0.01)
<b>Total liabilities</b>	<b>(278,950.40)</b>	<b>(0.25)</b>
<b>Total Net Assets as at 31 December 2019</b>	<b>111,567,378.84</b>	<b>100.00</b>

\* Forwards foreign exchange contracts open with Skandinaviska Enskilda Banken S.A., except for the following:

<sup>1</sup> Nordea Bank AB (publ)

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 Green Bond Fund EUR
<b>Income</b>	
Interest on bonds (note 1)	1,107,273.36
Bank interest on cash accounts	11,778.88
<b>Total income</b>	<b>1,119,052.24</b>
<b>Expenses</b>	
Management fees (note 2)	322,548.21
Taxe d'abonnement (note 3)	62,384.55
Bank interest on cash accounts	44,768.53
Other expenses	22,666.49
<b>Total expenses</b>	<b>452,367.78</b>
<b>Net income for the year</b>	<b>666,684.46</b>

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 Green Bond Fund EUR
<b>Net Assets at the beginning of the year</b>	<b>90,003,164.70</b>
<b>Net income for the year</b>	<b>666,684.46</b>
<b>Net realised gain / (loss) on:</b>	
- sales of securities	(326,942.96)
- foreign exchange	(4,672,508.17)
- financial futures contracts	(162,747.84)
<b>Total net realised loss</b>	<b>(5,162,198.97)</b>
<b>Change in net unrealised appreciation / (depreciation) on:</b>	
- securities	2,639,698.89
- forward foreign exchange contracts	2,295,122.92
- financial futures contracts	(39,125.87)
<b>Total change in net unrealised appreciation</b>	<b>4,895,695.94</b>
<b>Increase in Net Assets as a result of operations</b>	<b>400,181.43</b>
<b>Proceeds on issues of units</b>	<b>45,016,010.75</b>
<b>Payment on redemptions of units</b>	<b>(23,654,583.09)</b>
<b>Dividends paid</b>	<b>(197,394.95)</b>
<b>Total Net Assets as at 31 December 2019</b>	<b>111,567,378.84</b>

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



# Statement of Net Assets

## As at 31 December 2019

	SEB Green Bond Fund EUR
<b>Assets</b>	
Portfolio at cost	95,490,516.64
Unrealised depreciation	(44,794.70)
<b>Portfolio at market value (note 1)</b>	<b>95,445,721.94</b>
Unrealised appreciation on forward foreign exchange contracts	3,331,093.43
Receivable interest and / or dividends	402,794.86
Cash at bank and at broker	12,649,129.18
Other assets	47,788.86
<b>Total Assets</b>	<b>111,876,528.27</b>
<b>Liabilities</b>	
Unrealised depreciation on financial futures contracts	(30,199.03)
Other liabilities	(278,950.40)
<b>Total Liabilities</b>	<b>(309,149.43)</b>
<b>Total Net Assets as at 31 December 2019</b>	<b>111,567,378.84</b>
"C (EUR)" units outstanding as at 31 December 2019	27,697.1470
"C (H-NOK)" units outstanding as at 31 December 2019	1,271.7360
"C (H-SEK)" units outstanding as at 31 December 2019	4,627,220.0920
"D (EUR)" units outstanding as at 31 December 2019	290,196.0100
"D (H-SEK)" units outstanding as at 31 December 2019	103.9450
"HNWC (H-SEK)" units outstanding as at 31 December 2019	880,899.8080
"HNWD (H-SEK)" units outstanding as at 31 December 2019	103.9440
"IC (EUR)" units outstanding as at 31 December 2019	10.0000
"IC (H-CHF)" units outstanding as at 31 December 2019	1.1730
"UC (H-SEK)" units outstanding as at 31 December 2019	427,532.5430
Net Asset Value per "C (EUR)" unit as at 31 December 2019	98.871
Net Asset Value per "C (H-NOK)" unit as at 31 December 2019	107.657
Net Asset Value per "C (H-SEK)" unit as at 31 December 2019	99.121
Net Asset Value per "D (EUR)" unit as at 31 December 2019	52.349
Net Asset Value per "D (H-SEK)" unit as at 31 December 2019	95.692
Net Asset Value per "HNWC (H-SEK)" unit as at 31 December 2019	99.595
Net Asset Value per "HNWD (H-SEK)" unit as at 31 December 2019	95.851
Net Asset Value per "IC (EUR)" unit as at 31 December 2019	99.658
Net Asset Value per "IC (H-CHF)" unit as at 31 December 2019	995.899
Net Asset Value per "UC (H-SEK)" unit as at 31 December 2019	1,008.181

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

# Statistical Information

## As at 31 December 2019

	SEB Green Bond Fund EUR
<b>Number of "C (EUR)" units outstanding</b>	
as at 31 December 2019	27,697.1470
as at 31 December 2018	9,720.8540
as at 31 December 2017	9,427.5520
<b>Number of "C (H-NOK)" units outstanding</b>	
as at 31 December 2019	1,271.7360
as at 31 December 2018	807.3540
as at 31 December 2017	808.9310
<b>Number of "C (H-SEK)" units outstanding</b>	
as at 31 December 2019	4,627,220.0920
as at 31 December 2018	3,878,349.9980
as at 31 December 2017	5,891,973.6680
<b>Number of "D (EUR)" units outstanding</b>	
as at 31 December 2019	290,196.0100
as at 31 December 2018	246,474.7890
as at 31 December 2017	251,675.5860
<b>Number of "D (H-SEK)" units outstanding</b>	
as at 31 December 2019	103.9450
as at 31 December 2018	102.4020
as at 31 December 2017	101.4080
<b>Number of "HNWC (H-SEK)" units outstanding</b>	
as at 31 December 2019	880,899.8080
as at 31 December 2018	806,826.6440
as at 31 December 2017	1,239,324.8440
<b>Number of "HNWD (H-SEK)" units outstanding</b>	
as at 31 December 2019	103.9440
as at 31 December 2018	102.4020
as at 31 December 2017	101.4080
<b>Number of "IC (EUR)" units outstanding</b>	
as at 31 December 2019	10.0000
as at 31 December 2018	6,190.0000
as at 31 December 2017	2,510.0000
<b>Number of "IC (H-CHF)" units outstanding</b>	
as at 31 December 2019	1.1730
as at 31 December 2018	1.1730
as at 31 December 2017	1.1730
<b>Number of "UC (H-SEK)" units outstanding</b>	
as at 31 December 2019	427,532.5430
as at 31 December 2018	318,705.9480
as at 31 December 2017	—
<b>Total Net Assets</b>	
as at 31 December 2019	111,567,378.84
as at 31 December 2018	90,003,164.70
as at 31 December 2017	86,444,354.86
<b>Net Asset Value per "C (EUR)" unit</b>	
as at 31 December 2019	98.871
as at 31 December 2018	97.816
as at 31 December 2017	98.804

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

SEB Green Bond Fund	
<b>Net Asset Value per "C (H-NOK)" unit</b>	
as at 31 December 2019	107.657
as at 31 December 2018	104.618
as at 31 December 2017	104.284
<b>Net Asset Value per "C (H-SEK)" unit</b>	
as at 31 December 2019	99.121
as at 31 December 2018	97.834
as at 31 December 2017	98.971
<b>Net Asset Value per "D (EUR)" unit</b>	
as at 31 December 2019	52.349
as at 31 December 2018	52.576
as at 31 December 2017	53.366
<b>Net Asset Value per "D (H-SEK)" unit</b>	
as at 31 December 2019	95.692
as at 31 December 2018	95.781
as at 31 December 2017	97.736
<b>Net Asset Value per "HNWC (H-SEK)" unit</b>	
as at 31 December 2019	99.595
as at 31 December 2018	98.205
as at 31 December 2017	99.252
<b>Net Asset Value per "HNWD (H-SEK)" unit</b>	
as at 31 December 2019	95.851
as at 31 December 2018	95.883
as at 31 December 2017	97.787
<b>Net Asset Value per "IC (EUR)" unit</b>	
as at 31 December 2019	99.658
as at 31 December 2018	98.398
as at 31 December 2017	99.153
<b>Net Asset Value per "IC (H-CHF)" unit</b>	
as at 31 December 2019	995.899
as at 31 December 2018	987.698
as at 31 December 2017	999.446
<b>Net Asset Value per "UC (H-SEK)" unit</b>	
as at 31 December 2019	1,008.181
as at 31 December 2018	993.120
as at 31 December 2017	—
<b>Dividend paid per D (EUR) unit</b>	
2019	0.7886
2018	0.2575
2017	0.4808
<b>Dividend paid per D (H-SEK) unit</b>	
2019	1.4367
2018	0.9415
2017	1.3844
<b>Dividend paid per HNWD (H-SEK) unit</b>	
2019	1.4382
2018	0.9420
2017	1.3849

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 year 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.
- f) Derivatives instruments traded on regulated markets or stock exchanges are valued at last available settlement prices of these contracts on regulated markets or stock exchanges on which the derivative instruments are traded by the Fund.  
  
Derivatives instruments not traded on regulated markets or on stock exchanges are valued at their net liquidating value determined, pursuant to the policies established in good faith by the Management Company on a basis consistently applied for each different variety of contracts, in accordance with generally recognised principles, taking into consideration the generally accepted accounting practices, the customary practices in line with the market and the interests of the Unitholders.
- g) Forward foreign exchange contracts are valued based on the latest available forward exchange rates.
- h) Financial futures contracts, which are not matured, are valued at valuation date at market rates prevailing at this date and resulting unrealised appreciation or depreciation are posted as change in net unrealised appreciation/(depreciation) on financial futures contracts to the Statement of Changes in Net Assets.

In the case that extraordinary circumstances occur which make it impossible or even wrong to make a valuation in accordance with the above-mentioned criteria, the 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 share calculated on 30 December 2019.

**Currency translation:**

All assets denominated in a different currency to the Fund's 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 AUD	=	0.624499813	EUR	1 JPY	=	0.008190040	EUR
1 CAD	=	0.683623408	EUR	1 NOK	=	0.101669888	EUR
1 CHF	=	0.921037101	EUR	1 SEK	=	0.095782462	EUR
1 DKK	=	0.133860159	EUR	1 USD	=	0.892591604	EUR
1 GBP	=	1.170500000	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:

- |  |                       |
|--|-----------------------|
| • 0.40% is charged on SEB Green Bond Fund "C (EUR)" units      | (maximum rate: 0.40%) |
| • 0.40% is charged on SEB Green Bond Fund "C (H-NOK)" units    | (maximum rate: 0.40%) |
| • 0.40% is charged on SEB Green Bond Fund "C (H-SEK)" units    | (maximum rate: 0.40%) |
| • 0.40% is charged on SEB Green Bond Fund "D (EUR)" units      | (maximum rate: 0.40%) |
| • 0.40% is charged on SEB Green Bond Fund "D (H-SEK)" units    | (maximum rate: 0.40%) |
| • 0.30% is charged on SEB Green Bond Fund "HNWC (H-SEK)" units | (maximum rate: 0.30%) |
| • 0.30% is charged on SEB Green Bond Fund "HNWD (H-SEK)" units | (maximum rate: 0.30%) |
| • 0.20% is charged on SEB Green Bond Fund "IC (EUR)" units     | (maximum rate: 0.20%) |
| • 0.20% is charged on SEB Green Bond Fund "IC (H-CHF)" units   | (maximum rate: 0.20%) |
| • 0.20% is charged on SEB Green Bond Fund "UC (H-SEK)" units   | (maximum rate: 0.20%) |

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.

## Indian Tax

The Fund may be subject to corporation taxes in certain countries in which it invests. Capital gains realised when disposing of Indian securities held by the fund are subject to capital gains tax in India, which is disclosed in the Statement of Operations under the heading "Other expenses". The tax is computed on net realised gains, and realised losses in excess of gains may under certain conditions be carried forward for up to 8 years to offset future gains. In this respect, short term capital losses (i.e. when shares are held for less than 12 months) can offset either long term or short term capital gains whereas long term capital losses may only offset long term capital gains. Indian tax law imposes a tax of 15% on net realised gains from Indian securities sold within one year from the date of purchase and a tax of 10% if the Indian securities are sold more than 12 months after the acquisition. This tax of 10% on long term capital gains realised on Indian securities has been introduced with effect from 1 April 2018.

As at 31 December 2019, no tax accrual was booked in relation to unrealised capital gains tax on Indian securities, the potential tax liability on Indian securities was not significant on the Net Asset Values of the concerned Fund.

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

#### **Note 4. Transaction fees**

Transaction fees incurred by the 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.

In line with bond market practice, a bid-offer spread is applied when buying or selling securities and other financial instruments. Consequently, in any given transaction, there will be a difference between the purchase and sale prices quoted by the broker, which represents the broker's remuneration. This type of transaction cost is difficult to obtain separately and is therefore included in the acquisition cost of securities or deducted from selling prices of bonds.

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

SEB Green Bond Fund	3,724.89 EUR
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#### **Note 5. Significant Events during the year**

##### **Auditor**

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

##### **Directors**

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

##### **Prospectus**

A new prospectus was issued in November 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 are no other subsequent events after the year end.

## Independent auditor's report

To the Unitholders of  
SEB Green Bond Fund  
4, rue Peternelchen  
L-2370 Howald, Luxembourg

### Opinion

We have audited the financial statements of SEB Green Bond Fund (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 Green Bond Fund for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 27 March 2019.



## **Other information**

The Board of Directors of the 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 Green Bond Fund, the global exposure is calculated and monitored daily by using the calculation methodology Value at Risk (VaR). The VaR model used is parametric VaR. The observation period is at least 250 days.

The VaR methodology provides an estimate of the maximum potential loss over a specific time period and at a given confidence level, i.e. probability level. Usually for UCITS, the time period is 1 month/20 business days and the confidence level is 99%.

For example, a VaR estimate of 3% on a 20-days' time period with a 99% confidence level means that, with 99% certainty, the percentage the Fund can expect to lose over the next 20 days' period should be a maximum of 3%.

In case of the VaR methodology, the Fund can use either the "relative" or the "absolute" VaR approach.

According to CSSF Circular 11/512, the absolute VaR approach must not be greater than 20% based on a 99% confidence level and a holding period of 1 month/20 business days. In the case of the relative VaR approach, the VaR of the Fund must not be greater than twice the VaR of its reference portfolio. Nevertheless, lower limitations than those ones set by the regulator can be set in accordance with the investment policy/strategy of the Fund.

In addition to the VaR, the level of leverage generated through the use of derivatives and the use of collateral in relation to efficient portfolio management transactions (i.e. securities lending or repurchase agreements) is monitored twice a month. Leverage is measured as the sum of the absolute notional exposures of the financial derivative instruments (i.e. the absolute sum of all long and short notional positions in derivatives compared to the Net Asset Value of the Fund) and the reinvestment of collateral related to securities lending or repurchase agreement used by the Fund.

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 Fund indicating the VaR, the reference portfolio (in the case of relative VaR), the lowest/highest and average utilisation of VaR (expressed as a percentage of the respective absolute or relative legal VaR limit) as well as the average level of leverage for the year ended 31 December 2019.

Sub-Fund	Relative/ Absolute VaR	Reference portfolio	Lowest Utilisation of VaR	Highest Utilisation of VaR	Average Utilisation of VaR	Average Leverage (FX forwards serving the purposes of unit-class(es) hedging, if any, are not included in the leverage calculation)	Average Leverage (Including FX forwards for unit-class hedging)
SEB Green Bond Fund	Absolute (until 25.10.2019)	N/A	2.15%	3.80%	3.08%	79.91%	166.82%
SEB Green Bond Fund	Relative (since 28.10.2019)	Bloomberg*	21.00%	66.50%	34.27%	79.91%	166.82%

\*Bloomberg Barclays MSCI Green Bond Index 1-5 years.

# 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 units/shares in investment funds or financial instruments which achieve the equivalent common interests as units/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 units/shares in investment funds or instruments which achieve the same common interests as units/shares in the relevant securities funds. Variable remuneration in the form of fund units/shares will be subject to retention policy for at least one year. This retention policy applies to variable compensation whether or not it is deferred.

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

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

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

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

#### **The remuneration committee**

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

#### **Follow up**

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

<b>Regulated staff</b>	<b>Paid remuneration and benefits, 2019 (thousand)</b>
	<b>EUR</b>
- 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	-
	<b>Total remuneration paid (thousand)</b>
	<b>EUR</b>
- 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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