

Annual Report

SEB European Equity Small Caps

Status: 31 October 2014



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 the Federal Republic of Germany

As at 31 October 2014

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 October 2014 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 Asset Management S.A. 4, rue Peternelchen L-2370 Howald, Luxembourg
Board of Directors of the Management Company:	Chairperson Peter Kubicki Managing Director SEB Wealth Management Denmark Managing Director Ralf Ferner Managing Director SEB Asset Management S.A. Luxembourg Members Marie Winberg Director Business Strategy Skandinaviska Enskilda Banken AB (publ) Stockholm, Sweden Alexander Klein Managing Director SEB Investment GmbH Frankfurt am Main, Germany Elisabeth Scheja Sterner (since 1 July 2014) Head of Global Product & Distribution Strategy Skandinaviska Enskilda Banken AB (publ) Stockholm, Sweden
Conducting officers:	Ralf Ferner, Luxembourg Matthias Ewald, Luxembourg Loic Guillermet, Luxembourg (since 5 June 2014)
Central Administration (including Registrar, Transfer Agent, Administrative Agent and Paying Agent):	The Bank of New York Mellon (Luxembourg) S.A. 2-4, rue Eugène Ruppert L-2453 Luxembourg
Investment Manager:	Skandinaviska Enskilda Banken Danmark Bernstoffsgade 50 DK-1577 Copenhagen V

Custodian Bank:	Skandinaviska Enskilda Banken S.A. 4, rue Peternelchen L-2370 Howald, Luxembourg
Auditor of the Fund and the Management Company:	PricewaterhouseCoopers, Société coopérative 2, rue Gerhard Mercator L-2182 Luxembourg
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 charge, at the registered office of the Management Company and on the website www.sebgroup.lu .

General Information

SEB European Equity Small Caps (the "Fund") is a Luxembourg investment fund ("Fonds Commun de Placement") governed by Part I of the Luxembourg Law on Undertakings for Collective Investment of 17 December 2010 (the "Law") as amended. The Fund, which was set up on 30 April 1999 for an undetermined duration, is managed by SEB Asset Management S.A. (the "Management Company"). The Management Regulations lastly modified with effect from 11 November 2011, have been deposited with the Luxembourg Trade Register and the relating notice has been published in the *Mémorial C* on 17 November 2011. The Management Company was established on 15 July 1988, with subsequent publication of the Articles of Incorporation in the *Mémorial C* on 16 August 1988. The Articles of Incorporation were last amended on 16 July 2014 and published on 24 July 2014. The Management Company is registered under Corporate Identity Number B 28468.

SEB Asset Management S.A. has delegated the Central Administration, including the administrative, registrar, transfer agent and paying agent functions – under its continued responsibility and control – at its own expense to The Bank of New York Mellon (Luxembourg) S.A., 2-4, rue Eugène Ruppert, L-2453 Luxembourg. This company was incorporated in Luxembourg as a "Société Anonyme" 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 67654 (the "Administrative Agent" and the "Registrar and Transfer Agent").

In its capacity as Administrative Agent, it assumes certain administrative duties which are necessary within the framework of managing the Fund, including the calculation of the Net Asset Value per unit and the provision of accounting 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 investment policy is to achieve high long-term capital appreciation.

The Management Company may decide to issue capitalisation units ("IC") and distribution units ("D" units). Several unit classes may be offered, which differ in their charges, use of income, persons authorised to invest, minimum investment amount, reference currency or other characteristics.

The "D" units may pay a dividend. The "IC" units will capitalise income, with the result that their value will become greater than that of "D" units, in the proportion of the dividends paid to the "D" units.

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

- | | |
|---|--------------|
| • Capitalisation units ("IC (SEK)" units) | LU0956267933 |
| • Distribution units ("D (EUR)" units) | LU0099984899 |

The base currency of the Fund is euro.

The Net Asset Value per unit as well as 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 Custodian Bank and the Paying Agent.

In addition, the Net Asset Value, fact sheets and other informational marketing material is published on the SEB Luxembourg website www.sebgroup.lu (<http://www.sebgroup.lu>) under the rubric SEB Asset Management S.A.. For Funds 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).

Financial reports of the Fund are published annually and semi-annually. These reports as well as the Sales Prospectus, the Management Regulations and other information concerning the Fund can be obtained free of charge at the offices of the Management Company, the Custodian Bank and the Paying Agent.

Management Report

Dear Unitholders,

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

This annual report covers the financial year from 1 November 2013 to 31 October 2014.

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.

Geopolitical risks and an improving US economy

More than anything the last twelve months has been dominated by geopolitical risks and the strength, with all that it implies, of the US economy. Headlines out of Gaza, Iraq and in particular Ukraine have from time to time lifted the volatility of the equity markets and have to some extent helped the continuous grind lower in core European yields. Despite the volatility, the markets have in general performed well with both bonds and equities rising. The only major asset class with a significant loss has been commodities (measured by the Commodities Research Bureau).

As stated the markets have, over the summer of 2014, been dominated by increased geopolitical risk in a somewhat cyclical fashion where Ukraine, the main story, has come into focus from time to time. Although the daily equity and bond movements on news from Ukraine have been significant, the markets have in general weathered the uncertainty and the various escalations in both rhetoric and sanctions well. As such the conflict in Ukraine has gained less and less attention in the markets, and has as of writing a seemingly very little market impact. This was illustrated by the latest escalations of 25 September 2014 where initial rumours about Russia seizing foreign assets were dismissed, or forgotten, on the following day. Focusing on the geopolitical risk out of the Middle East, it is also interesting to note that oil prices have fallen quite significantly post the initial escalation of Islamic State in Iraq and Syria. It illustrates the fact that geopolitical risk have had a reduced long term market impact, even in the assets which historically would be most exposed towards it.

Disregarding the geopolitical noise, the last twelve months have to a large extent been dominated by the continued strengthening of the US economy. Rising consumer confidence, increasing Purchasing Managers Index's and a falling unemployment rate have strengthened the view that US growth is at present firmly anchored. In isolation this strength has been a supportive factor of the rise in equities, as it has led to increasing 2014 and 2015 Earnings Per Share estimates post the winter related slump of Q1 2014. But while the strong momentum in the US economy has led to upward revisions in US equity earnings forecasts, it has also put an increasing focus on the future FED policy. In particular it has sparked a discussion about when the FED should start to hike rates, and whether it should be done before the consensus estimate of late Q2 2015. The speculation about the start of the rate hike cycle has been visible in some pockets of the market, giving reminiscence of the summer of 2013. We have seen a falling correlation between rates and equities (implying a rising correlation between bonds and equities) in the US, weakness in Emerging Markets FX, and some weakness in Emerging Markets local equity returns in the later part of September 2014. However, the speculation has not shown itself as negatively in developed markets as it did in 2013 when Ben Bernanke started to discuss tapering in the US. MSCI World Index remains in positive territory and rates have in general been falling over the last year. But none the less the reminiscence of last summer does indicate that risks in the markets have risen, even though implied equity and bond volatility remains low by historical standards; Volatility Index and the Move Index.

The slowdown in Emerging Markets

While the US economy has gained further strength over the last year we have seen continued weakness in Emerging Markets. Most pronounced for Brazil where leading indicators, GDP, and production have all declined. At the same time we have seen weakness in many of the leading indicators for Emerging Markets as a whole, however with the significant outlier of China which has actually improved over the last couple of months.

It is difficult to pin-point the exact reason behind the weakness, as global growth, led by the US, seems to be improving and that we have not seen the same kind of political turmoil as we witnessed in the summer of 2013.

Monetary policy

As stated, the strength in the US economy has led to speculation about an earlier than expected start of the rate hike cycle in the US. This as unemployment has dropped faster than what was expected in both the market and by the FED in the official communiques of late 2013.

However, even though employment has continued to gain momentum we have seen subdued core and headline inflation in the US. It therefore seems that even though the unemployment rate has dropped we are still some way off from seeing capacity constraints in the US labour market; something which might be explained by the significant fall in the participation rate since the financial crisis.

Further action by the European Central Bank ("ECB")

Nothing illustrates the divergence between the US and European business cycle better at the moment than the diverging monetary policy. While the FED has continued to taper QE3 the ECB has introduced a new round of Long Term Refinancing Options, have lowered the policy rates, and declared their willingness to buy asset backed securities (ABS) and covered bonds (CB). As such the ECB is now loosening the monetary policy in respect of the falling inflation rates. The latest actions from the ECB will probably put a floor under the relative performance of European equities compared to US equities. This as any further weakness in European growth and inflation should spark speculation about further action from the ECB.

Outlook for the financial markets and economic growth

US macroeconomic growth will most likely stabilize around the current levels. This as the economy is supported by rising employment and an improving housing market.

Looking towards Europe it seems likely that the macroeconomic momentum will strengthen from the current levels. This as the US economy remains strong, the Euro seems bound to weaken and loan demand and supply is improving. Signs of the weak European growth bottoming out have been seen in the latest hard data prints that we have received from the Eurozone.

In light of the strong US growth, the expectation of improving economic growth in Europe and the expectation of rising earnings and sales, equities should deliver a positive return close to, if not above, its historical average. Even though equities are starting to trade at rich multiples they should still be able to perform. The gains however now have to come from actual earnings growth and not just multiple expansion fuelled by central bank liquidity.

Luxembourg 4 November 2014
SEB Asset Management S.A.

R. Ferner

M. Ewald

Note: Performance mentioned in this report is historical and is not indicative of future results.

Report of the Board of Directors

SEB European Equity Small Caps

Market update

The European equity market has over the past 12 months been driven by historically aggressive monetary easing and a continually weakening economic recovery. 2014 was expected to be the year where Eurozone growth would pick up and return to normal after half a decade of economic slump but this has not been the case. Instead, the demand for further action by the ECB has increased despite near-zero interest rates. Performance of small and large cap has diverged with large cap outperforming as the economic recovery became more fragile. This trend has historically been short-lived and we expect small cap to outperform as soon as European growth picks up.

Fund Update

The Fund has performed very well in a market moving primarily sideways. Our performance is a result of investment cases developing according to expectations and a cautious focus on what not to own as companies not living up to expectations has been severely punished. Main contributor to performance is Swiss structured investment provider Leonteq, whose white-label strategy is proving increasingly successful. On the negative, event organizer ITE Group has been affected by the crisis in Ukraine, albeit we believe the impact is less substantial than currently reflected in the share price. Sector-wise we have reduced our exposure to Energy, which in small caps consists largely of oil-service as we believe this sector is in a state of prolonged oversupply and overcapacity. On the other hand, we have increased our exposure to consumer staples and financials. In terms of currency, the Euro has weakened against the Swiss franc and the British pound benefiting the Euro investor while the Swedish Krona has depreciated against the Euro hampering the return of a SEK investor.

Strategy Going Forward

In a weakening macro environment, it is of utmost importance to steer clear of companies unable to maintain profitability, which will suffer from increasing price pressure. Monetary policy authorities are determined to support the European economy, which should increase the likelihood of small cap outperformance. The Fund remains highly exposed to quality companies with a proven track record of stable margins and we will continue to pursue this strategy going forward. Furthermore, we will continue to search for quality in inefficiently priced parts of the European equity universe to deliver market-beating value for our investors.

Note: Performance mentioned in this report is historical and is not indicative of future results.

Schedule of Investments

As at 31 October 2014

SEB European Equity Small Caps

Security description	Total holdings	Currency	Unit price	Market value in EUR	% of Net Assets
Transferable securities admitted to an official stock exchange listing					
Shares					
Austria					
Palfinger AG	120,033	EUR	18.600	2,232,613.80	1.12
Rosenbauer International AG	66,692	EUR	72.800	4,855,177.60	2.43
Total Austria				7,087,791.40	3.55
Denmark					
Napatech A/S	204,937	NOK	38.000	920,689.04	0.46
Total Denmark				920,689.04	0.46
Faroe Islands					
Bakkafrost P/F	261,864	NOK	165.000	5,108,210.02	2.56
Total Faroe Islands				5,108,210.02	2.56
France					
Orpea	56,992	EUR	48.630	2,771,520.96	1.39
Total France				2,771,520.96	1.39
Germany					
Carl Zeiss Meditec AG	88,432	EUR	21.475	1,899,077.20	0.95
CTS Eventim AG & Co KGaA	121,674	EUR	21.040	2,560,020.96	1.28
Duerr AG	104,870	EUR	55.870	5,859,086.90	2.93
Gerry Weber International AG	117,211	EUR	32.030	3,754,268.33	1.88
Grenkeleasing AG	100,506	EUR	79.280	7,968,115.68	3.99
Joyou AG	128,828	EUR	9.900	1,275,397.20	0.64
Norma Group SE	141,788	EUR	37.305	5,289,401.34	2.65
Patrizia Immobilien AG	432,666	EUR	10.770	4,659,812.22	2.33
RIB Software AG	343,933	EUR	10.690	3,676,643.77	1.84
STRATEC Biomedical AG	45,591	EUR	42.295	1,928,271.35	0.97
Total Germany				38,870,095.55	19.46
Ireland					
Greencore Group Plc	2,897,345	GBP	2.624	9,707,802.44	4.86
Total Ireland				9,707,802.44	4.86
Italy					
Banca IFIS SpA	468,246	EUR	14.030	6,569,491.38	3.29
Datalogic SpA	64,903	EUR	9.190	596,458.57	0.30
Industria Macchine Automatiche SpA	130,416	EUR	31.220	4,071,587.52	2.03
Interpump Group SpA	587,744	EUR	10.400	6,112,537.60	3.06
Total Italy				17,350,075.07	8.68
Luxembourg					
Eurofins Scientific SE	15,145	EUR	201.650	3,053,989.25	1.53
Grand City Properties SA	1,094,561	EUR	10.225	11,191,886.23	5.60
Total Luxembourg				14,245,875.48	7.13
Netherlands					
Aalberts Industries NV	129,755	EUR	21.245	2,756,644.98	1.38
Total Netherlands				2,756,644.98	1.38
Spain					
Applus Services SA	204,810	EUR	9.630	1,972,320.30	0.98
Viscofan SA	47,697	EUR	46.840	2,234,127.48	1.12
Total Spain				4,206,447.78	2.10

SEB European Equity Small Caps

Security description	Total holdings	Currency	Unit price	Market value in EUR	% of Net Assets
Sweden					
AAK AB	162,962	SEK	400.300	7,035,656.58	3.52
Bygghmax Group AB	752,782	SEK	45.800	3,718,496.70	1.86
Intrum Justitia AB	182,315	SEK	219.400	4,314,115.04	2.16
Total Sweden				15,068,268.32	7.54
Switzerland					
Feintool International Holding AG	27,363	CHF	87.500	1,985,539.07	0.99
Leonteq AG	60,936	CHF	209.300	10,576,691.69	5.30
Tecan Group AG	29,656	CHF	101.400	2,493,774.63	1.25
Total Switzerland				15,056,005.39	7.54
United Kingdom					
Arrow Global Group Plc	2,404,410	GBP	2.545	7,813,636.42	3.91
Bank of Georgia Holdings Plc	184,095	GBP	25.600	6,017,815.18	3.01
Beazley Plc	1,821,169	GBP	2.620	6,092,680.82	3.05
Elementis Plc	949,624	GBP	2.639	3,199,985.13	1.60
Foxtons Group Plc	393,990	GBP	1.682	846,190.37	0.42
HellermannTyton Group Plc	1,335,708	GBP	3.040	5,184,919.26	2.60
Inchcape Plc	514,063	GBP	6.950	4,562,028.96	2.28
ITE Group Plc	1,592,685	GBP	1.703	3,462,373.36	1.73
Laird Plc	599,995	GBP	3.150	2,413,320.89	1.21
NCC Group Plc	2,071,134	GBP	1.970	5,209,923.08	2.61
Paragon Group of Cos Plc/The	918,905	GBP	3.610	4,235,792.76	2.12
Polypipe Group plc	1,405,953	GBP	2.400	4,308,627.33	2.16
Rotork Plc	79,340	GBP	25.550	2,588,451.24	1.30
RPS Group Plc	1,781,329	GBP	2.344	5,331,613.18	2.67
St James's Place Plc	324,189	GBP	7.450	3,083,979.16	1.55
Telecity Group Plc	270,728	GBP	7.705	2,663,561.35	1.33
Total United Kingdom				67,014,898.49	33.55
Total Shares		EUR		200,164,324.92	100.20
Total Transferable securities admitted to an official stock exchange listing		EUR		200,164,324.92	100.20
Total Portfolio		EUR		200,164,324.92	100.20

SEB European Equity Small Caps

	Market value in EUR	% of Net Assets
Cash at bank		
Cash at bank	2,191.29	0.00
Total Cash at bank	2,191.29	0.00
Other assets		
Receivable on sale of securities	659,041.21	0.33
Receivable on subscriptions	16,101.57	0.01
Other assets	30.64	0.00
Total other assets	675,173.42	0.34
Other liabilities		
Bank overdraft	(458,907.11)	(0.23)
Management fees and custody fees	(245,576.79)	(0.12)
Payable on redemptions	(354,105.84)	(0.18)
Bank interest payable on cash accounts	(514.69)	(0.00)
Other liabilities	(21,552.98)	(0.01)
Total other liabilities	(1,080,657.41)	(0.54)
Total Net Assets as at 31 October 2014	EUR 199,761,032.22	100.00

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

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

Statement of Operations

For the year ended 31 October 2014

SEB European Equity Small Caps

EUR

Income	
Investment income (note 1)	4,447,667.25
Income from securities lending (note 8)	42,940.40
Bank interest on cash accounts	2,688.90
Total income	4,493,296.55
Expenses	
Management fees (note 3)	3,152,205.32
Custody fees (note 5)	44,533.59
Taxe d'abonnement (note 6)	106,945.37
Bank interest on cash accounts	12,605.84
Other expenses	75,062.44
Total expenses	3,391,352.56
Net income for the year	1,101,943.99

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

Statement of Changes in Net Assets

For the year ended 31 October 2014

SEB European Equity Small Caps

	EUR
Net Assets at the beginning of the year	179,255,470.80
Net income for the year	1,101,943.99
Net realised gain / (loss) on:	
- sales of securities	24,196,665.07
- foreign exchange	(92,957.03)
Total net realised gain	24,103,708.04
Change in net unrealised appreciation / (depreciation) on:	
- securities	2,486,904.96
Total change in net unrealised appreciation	2,486,904.96
Increase in Net Assets as a result of operations	27,692,556.99
Proceeds on issues of units	70,893,566.30
Payment on redemptions of units	(77,019,731.80)
Dividends paid	(1,060,830.07)
Total Net Assets as at 31 October 2014	199,761,032.22

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

Statement of Net Assets

As at 31 October 2014

SEB European Equity Small Caps

EUR

Assets	
Portfolio at cost	155,353,015.19
Unrealised appreciation	44,811,309.73
Portfolio at market value (note 1)	200,164,324.92
Cash at bank	2,191.29
Other assets	675,173.42
Total Assets	200,841,689.63
Liabilities	
Bank overdraft	(458,907.11)
Other liabilities	(621,750.30)
Total Liabilities	(1,080,657.41)
Total Net Assets as at 31 October 2014	199,761,032.22
"D (EUR)" units outstanding as at 31 October 2014	980,641.7450
"IC (SEK)" units outstanding as at 31 October 2014	1,365.0000
Net Asset Value per "D (EUR)" unit as at 31 October 2014	203.687
Net Asset Value per "IC (SEK)" unit as at 31 October 2014	118.593

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

Statistical Information

As at 31 October 2014

SEB European Equity Small Caps

	EUR
Number of "D (EUR)" units outstanding	
as at 31 October 2014	980,641.7450
as at 31 October 2013	1,005,990.4670
as at 31 October 2012	1,129,927.0190
Number of "IC (SEK)" units outstanding	
as at 31 October 2014	1,365.0000
as at 31 October 2013	
as at 31 October 2012	–
Total Net Assets	
as at 31 October 2014	199,761,032.22
as at 31 October 2013	179,255,470.80
as at 31 October 2012	155,623,307.52
Net Asset Value per "D (EUR)" unit	
as at 31 October 2014	203.687
as at 31 October 2013	178.188
as at 31 October 2012	137.729
Net Asset Value per "IC (SEK)" unit	
as at 31 October 2014	118.593
as at 31 October 2013	–
as at 31 October 2012	–
Performance in % "D (EUR)" units **)	
as at 31 October 2014	14.8
as at 31 October 2013	30.3
as at 31 October 2012	14.5
Performance in % "IC (SEK)" units *)	
as at 31 October 2014	*****) 18.6
as at 31 October 2013	–
as at 31 October 2012	–
Dividend paid per D (EUR) unit	
2014	0.9237
2013	1.2574
2012	1.2923
Ongoing Charges (Unaudited) *** in %	
01/11/2013 - 31/10/2014 "D (EUR)" units	1.61
01/11/2013 - 31/10/2014 "IC (SEK)" units	0.92
Portfolio Turnover Rate (Unaudited) ****) (PTR) in %	
01/11/2013 - 31/10/2014	29.0

*) Performance is calculated by the following formula: ((NAV / Unit as at 31/10/2014) / (Initial subscription price) - 1) * 100

**) Performance is calculated by the following formula: ((NAV / Unit as at 31/10/2014 + dividend / Unit paid during the year) / (NAV / Unit as at 31/10/2013) - 1) * 100

***) Ongoing Charges for the purposes of the financial statements are calculated by the following formula: (Expenses deducted from the assets including the custodian transaction fees but excluding bank interest on cash accounts / average TNA) * 100. The Ongoing Charges of this financial report are dated 31 October 2014 and might differ from the Ongoing Charges published in the KIID.

****) PTR is calculated by the following formula: ((Total 1 – Total 2) / average TNA) * 100

*****) IC (SEK) launched on 18 November 2013 at a price of SEK 100.

NAV = Net Asset Value

TNA = Total Net Assets

Total 1 = Total of securities transactions for the year under review (purchases + sales)

Total 2 = Total of subscribed and redeemed units for the year under review (subscriptions + redemptions)

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

Notes to the Financial Statements

As at 31 October 2014

Note 1. Significant Accounting Policies

The financial statements have been prepared in accordance with Luxembourg regulations relating to Undertakings for Collective Investment.

Investments:

a) Transferable securities and money market instruments, which are officially listed on the 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 verifiable by the auditor.

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).

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 and which can be verified by the auditor, 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.

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 31 October 2014, the exchange rates were as follows:

1 CHF	=	0.829290469	EUR	1 NOK	=	0.118224913	EUR
1 DKK	=	0.134346888	EUR	1 SEK	=	0.107853116	EUR
1 GBP	=	1.276900000	EUR	1 USD	=	0.798137326	EUR

Income:

Dividends are recorded on the ex-dividend date. Interest income is recognised on an accruals basis.

Note 2. Efficient Portfolio Management

Subject to the conditions and within the limits from time to time laid down by the European Securities and Markets Authority ("ESMA"), and except as otherwise stated in the investment objective and policies of a Fund, the Investment Managers and/or Sub-Investment Manager(s) may employ, for certain Funds, investment techniques and instruments such as securities lending, repurchase agreements and other derivatives for investment purposes or efficient portfolio management. Furthermore, new techniques and instruments may be developed which may be suitable for use by a Fund in the future and a Fund may employ such techniques and instruments subject to the prior approval of, and any restrictions imposed by ESMA.

Securities Lending transactions

Certain Funds may also utilise securities lending agreements for efficient portfolio management purposes as described above. In such transactions the Fund may temporarily transfer its securities to a borrower, with agreement by the borrower to return equivalent securities to the Fund at a pre-agreed time. In entering into such transactions the Fund will endeavour to increase the returns on its portfolio of securities by receiving a fee for making its securities available to the borrower.

During the period, securities lending transactions were entered into for the purpose of efficient portfolio management in order to hedge currency and market exposure as well as increase capital and income returns. Gains and losses on these transactions are reflected in the Statement of Operations. See note 8 for further details.

Note 3. Management Fees

In payment for its services, the Management Company receives a commission at a maximum annual rate of:

- 0.90% is charged on SEB European Equity Small Caps "IC (SEK)" units (maximum rate: 0.90%)
- 1.50% is charged on SEB European Equity Small Caps "D (EUR)" units (maximum rate: 1.50%)

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 all other charges and fees on behalf of the Fund, except for taxes, custody fees, bank and brokerage fees for transactions in securities making up the Fund's portfolio as well as fees on transfers referring to redemption of units.

Note 4. Performance Fees

In addition to the fixed management fees, the Management Company also receives an annual performance-related commission ("Performance Fees") amounting to 10% of the value by which the annual growth in the Net Asset Value per unit exceeds the performance of the MSCI Europe Small Cap Net Return Index. The calculation period for the Performance Fees is the calendar year.

All costs incurred by the Fund, including the fixed management fees of 0.90% for "IC (SEK)" units and 1.50% p.a. for "D (EUR)" units, are included in determining the performance of the Net Asset Value per unit.

The performance fees are therefore only charged when the performance of the Net Asset Value per unit after the deduction of all costs is above the MSCI Europe Small Cap Net Return Index at the end of the calendar year and the performance fees are retained by the Management Company.

In this case, the performance fees can be calculated and taken from the Fund. No performance fees are charged if the absolute performance of the Fund is negative for the calendar year, even if the Fund has outperformed the benchmark. If at the end of a calendar year the performance of the Net Asset Value per unit, after deducting all costs, is below that of MSCI Europe Small Cap Net Return Index this decline in value is not taken into account when calculating the performance fee for the following period. The performance of the Net Asset Value per unit against the index is compared each time the price is calculated and deferred on a pro-rata basis.

The Management Company accepted that no performance fees have been charged to the Fund for the year ended 31 October 2014.

Note 5. Custody Fees

In remuneration for its services, the Custodian Bank receives from the net assets of the Fund a commission of 0.022% per annum, calculated daily based on the securities assets held in custody.

The Custodian Bank also receives processing fees in line with standard banking practice for transactions on account of the Fund and costs and expenses incurred by the Custodian Bank on the basis of the permitted commissioning of third-party banks and/or securities depositories with the custody of Fund assets, in line with standard market practice.

These fees are paid to the Custodian Bank at the end of each month.

Note 6. 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 7. 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 custodian 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. For the year ended 31 October 2014, these transaction fees were as follows:

SEB European Equity Small Caps	414,707.23	EUR
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Note 8. Securities Lending

As at 31 October 2014 there were no securities on loan.

For the year ended 31 October 2014, the securities lending income generated by the Fund is as follows:

Fund	Fund CCY	Total gross amount of securities lending income	Direct and indirect costs and fees deducted from gross securities lending income	Total net amount of securities lending income
SEB European Equity Small Caps	EUR	76,938.92	33,998.52	42,940.40

Note 9. Significant events during the year

Prospectus

A new prospectus was issued in November 2013.

The denomination of the distribution units "B" units has been replaced with distribution units "D (EUR)" units.

The unit class, "IC (SEK)", was launched on 18 November 2013.

Directors

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

Note 10 Subsequent events after the year end.

There are no subsequent events after the year end.

Audit Report

To the Unitholders of
SEB European Equity Small Caps

We have audited the accompanying financial statements of SEB European Equity Small Caps, which comprise the Statement of Net Assets and the Schedule of Investments as at 31 October 2014 and the Statement of Operations and the Statement of Changes in Net Assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Board of Directors of the Management Company for the financial statements

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

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Management Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of SEB European Equity Small Caps as of 31 October 2014, and of the results of its operations and changes in its Net Assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other matters

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 6 February 2015

Emmanuel Chataignier

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Notes to the “EU Savings Tax Directive” (unaudited)

The Council of the European Union adopted on 3 June 2003 a Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Savings Tax Directive") under which Member States of the European Union ("Member States") will be required to provide tax authorities of another Member State with details of payment of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State. Austria, Belgium and the Grand Duchy of Luxembourg have opted alternatively for a withholding tax system for a transitional period in relation to such payments. The Luxembourg law of 21 June 2005 implemented the Savings Directive into Luxembourg law (the "Savings Directive Law"). Pursuant to the Savings Directive Law, from 1 July 2005 until 30 June 2008, the withholding tax rate on interests was 15% and from 1 July 2008 until 30 June 2011, the withholding tax was 20% rising to 35% from 1 July 2011 onwards. After 31 December 2014, Luxembourgish paying agents are obliged to exchange the details on cross-border interest distributions or redemptions of fund units subject to the European Savings Directive (EUSD). Article 9 of the Savings Directive Law provides that no withholding tax will be withheld if the beneficial owner expressly authorizes the paying agent to report information in accordance with the provisions of the Savings Directive Law.

Dividends distributed are subject to the Savings Tax Directive if more than 15% of the assets are invested in debt claims as defined in the Savings Directive Law. Proceeds realised by Unitholders on the disposal of units will be subject to such reporting or withholding if more than 40% of the assets are invested in debt claims as defined by the Savings Directive Law. As from 1 January 2011 the application threshold for the EU Savings Directive changed from 40% to 25%.

The determination of the portion of debt claims has been carried out based on an asset test. Key dates for this asset test were 30 April 2014 and 31 October 2014. The percentage of the Fund's debt claims is as follows:

SEB European Equity Small Caps:	0.41%
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Therefore, SEB European Equity Small Caps is not subject to the Directive for the period from 1 March 2015 to 28 February 2016.

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 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 below overview summarises the Fund indicating the VaR approach, the reference portfolio (in the case of relative VaR), the legal VaR limit, 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 October 2014:

Fund	Relative/ Absolute VaR	Reference portfolio	Legal VaR- limit	Lowest utilisation of VaR	Highest utilisation of VaR	Average utilisation of VaR	Average Leverage
SEB European Equity Small Caps	Relative	MSCI Europe Small Cap Net Return Index	200%	44.00%	48.98%	46.14%	0%

