

Annual Report

SEB European Equity Small Caps (Lux)
Investment Fund under Luxembourg Law

Status: 31 December 2023

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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Organisation

Management Company:

SEB Investment Management AB
Malmskillnadsgatan 44B
SE-111 57 Stockholm, Sweden

Branch of the Management Company:

SEB Investment Management AB,
Luxembourg Branch
4, rue Peternelchen
L-2370 Howald, Luxembourg

Board of Directors of the Management Company:**Chairperson**

Johan Wigh
Partner
Advokatfirman, Törngren Magnell
Sweden

Members

Mikael Huldt
Head of Alternative Investments
AFA Försäkring
Sweden

Viveka Hirdman-Ryrberg
Head of Corporate Communication & Sustainability
Investor AB
Sweden

Kjell Norling
CEO
PP Pension
Kammakargatan 22
Stockholm, Sweden

Leif Almhorn
CEO
Almhorn & Partner AB
Sweden

Louise Hedberg (since 12 June 2023)
CEO and Senior Advisor
Penny to Pound AB
Sweden

Investment Manager:

SEB Investment Management AB,
Denmark, branch of SEB
Bernstoffsgade 50
DK-1577 Copenhagen V, Denmark

Auditor of the Fund:

Ernst & Young S.A.
35E, avenue John F.Kennedy
L-1855 Luxembourg

Auditor of the Management Company:

Ernst & Young AB
Jakobsbergsgatan 24
SE-103 99 Stockholm, Sweden

Global Distributor:

Skandinaviska Enskilda Banken AB (publ)
Kungsträdgårdsgatan 8
SE-106 40 Stockholm, Sweden

Central Administration (including the administrative, registrar and transfer agent function) and Paying Agent in Luxembourg:

The Bank of New York Mellon SA/NV, Luxembourg Branch
2-4, rue Eugène Ruppert
L-2453 Luxembourg

Depositary:

Skandinaviska Enskilda Banken AB (publ),
Luxembourg Branch
4, rue Peternelchen
L-2370 Howald, Luxembourg

Paying Agent and Representative in Switzerland:

Société Générale, Paris, Zurich branch
Talacker 50
PO Box 5070
8021 Zürich, Switzerland

Representatives and Paying Agents outside Luxembourg:

The full list of representatives and paying agents outside Luxembourg can be obtained, free of any charge, at the address of the Management Company, at the address of the Branch and on the website of the Branch.

General Information

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

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

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

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

At present, one Fund is at the Investors' disposal. The following Fund is registered in Switzerland:

| Fund name: | Base currency: |
|--------------------------------|-----------------------|
| SEB European Equity Small Caps | EUR |

The base currency of the Fund is EUR.

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

The "C" Units will reinvest their income, if any. The "D" Units may pay a dividend to its Investors, 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 unit classes offered for the Fund are disclosed in note 2 of this Annual Report.

The last known issue and redemption prices may be downloaded from the Website of the Branch and/or requested at any time at the registered offices of the Management Company and of the Depositary, at the address of its Branch as well as from the paying agents.

In addition, the Net Asset Value, fact sheets and other informational material is published on the SEB Luxembourg website www.sebgroup.lu ("website"). When registered in other countries, the publication media might differ according to the regulatory requirements. Information about fund charges can be found in the Key Information Document ("KID").

The audited annual and unaudited 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 KID are available, free of charge, at the registered office of the Management Company, at the address of the Branch and on the website.

Société Générale Paris, Zurich Branch, has been approved by the Swiss Financial Market Supervisory Authority FINMA as representative of the company in Switzerland and acts as paying agent. The prospectus, the management regulation, the annual and semi-annual reports, the KIDs and the list of portfolio transactions in the extended contract period can be ordered from the Swiss and the paying agent free of charge (Société Générale Paris, Zurich branch, Talacker 50, P.O. 5070, 8021 Zurich) or obtained during business hours.

Management Report

January 2023 - December 2023: Lower inflation, falling bond yields and the promise of Artificial Intelligence delivered a positive ending to 2023

In 2023, the global landscape was defined by stronger-than-expected growth, declining inflation from elevated levels, restrictive monetary policies and geopolitical uncertainties. When the year began, market sentiment foresaw a substantial recession in Europe, a notable deceleration in the United States, and an anticipated resurgence in China as its three-year period of the Zero-COVID policy concluded. However, as the year unfolded, Europe and, in particular, the US exceeded growth projections, while the Chinese economy failed to meet anticipated outcomes.

US economic growth exhibited remarkable resilience amidst ongoing monetary policy tightening. Economic activity hovered close to trend, while the labour market retained its tightness. Real wage growth bolstered purchasing power for US consumers, and the corporate sector remained in good shape. However, the surge in economic activity unsettled the Federal Reserve, prompting concerns about whether inflation would align with the two per cent average inflation target. The US Central Bank signalled to markets an expectation of "higher for longer" interest rates, continuing its rate hikes until July 2023. This hawkish rhetoric, coupled with strong growth, propelled longer-term government bond yields to multi-year highs in Q3 2023. But although rising bond yields dampened risk appetite in Q3, we saw a reversal in Q4 reflecting that the market decided that interest rates had peaked which drove bond yields swiftly lower due to the decline of inflation in developed markets which in turn led to a notable rally in equity markets.

Throughout the year, technology stocks (IT) maintained their leadership position, buoyed by strong demand for US growth stocks and a continued market preference for companies specializing in Artificial Intelligence. Value and small-cap stocks underperformed as technology shares surged ahead, driving growth in the market. Quality stocks demonstrated gains comparable to those of growth stocks, marking a notable increase of 28 per cent in 2023.

US equity markets continued their outperformance, led by the remarkable gains of the "Magnificent 7", followed by more modest increases in Europe and the Nordics. Emerging market equities faced ongoing challenges due to geopolitical uncertainties, elevated inflation, tighter financial conditions, a stronger US dollar, and growth setbacks in China. Despite trading at low multiples and presenting cheap valuations, rising commodity prices, reduced geopolitical tensions, and potential interest rate cuts by the Federal Reserve could provide positive catalysts for emerging markets moving forward.

Many countries, notably the US, continued to grapple with large public deficits, fuelled by increased spending on defence and renewable energy investments. This suggests that interest rates are unlikely to return to pre-pandemic lows. In Sweden, despite initial increases by the Riksbank, having a particular damping effect on Swedish households and consumers, long-term interest rates ended the year lower than at its outset, favouring fixed-income funds and attracting investors to credit markets.

Going forward, a downward trajectory in inflation is anticipated in 2024, prompting expectations of central bank rate cuts. From a tactical horizon, the market rally since Q4 2023 is expected to broaden over the next few months, benefiting more sectors. While inflation and interest rates will remain focal points, growth data will play an increasingly crucial role in confirming anticipated easing measures. The biggest risks for financial markets are an uptick in inflation levels and setbacks in anticipated interest rate cuts, alongside escalating geopolitical tensions and potential conflicts in the Middle East, which could drive commodity prices higher.

SEB Investment Management acknowledges the positive impact of the global equity and bond market upturn on its assets under management. Committed to delivering a brighter financial future for its customers through sustainable investments, SEB Investment Management AB and our board of directors thank you again for your continued commitment.

Luxembourg, 5 February 2024

SEB Investment Management AB

The Board of Directors

Schedule of Investments

As at 31 December 2023

SEB European Equity Small Caps

| Security description | Total holdings | Market value in EUR | % of Net Assets |
|---|----------------|----------------------|-----------------|
| Transferable securities admitted to an official stock exchange listing | | | |
| Shares | | | |
| Denmark | | | |
| Chemometec A/S | 162,934 | 8,480,632.48 | 3.66 |
| Napatech A/S | 1,844,558 | 2,153,951.21 | 0.93 |
| Netcompany Group A/S '144A' | 130,528 | 3,950,277.24 | 1.71 |
| NTG Nordic Transport Group A/S | 88,473 | 3,489,336.73 | 1.51 |
| Total Denmark | | 18,074,197.66 | 7.81 |
| Faroe Islands | | | |
| Bakkafrost P/F | 69,830 | 3,311,508.88 | 1.43 |
| Total Faroe Islands | | 3,311,508.88 | 1.43 |
| Finland | | | |
| Harvia Oyj | 252,151 | 6,858,507.20 | 2.96 |
| Total Finland | | 6,858,507.20 | 2.96 |
| France | | | |
| ATEMESA | 76,725 | 540,144.00 | 0.23 |
| ID Logistics Group SACA | 23,718 | 7,257,708.00 | 3.14 |
| Total France | | 7,797,852.00 | 3.37 |
| Germany | | | |
| Encavis AG | 391,000 | 6,095,690.00 | 2.64 |
| Gerresheimer AG | 12,205 | 1,151,541.75 | 0.50 |
| Jungheinrich AG - Preference | 18,484 | 614,038.48 | 0.26 |
| Medios AG | 274,984 | 4,361,246.24 | 1.89 |
| Mensch und Maschine Software SE | 149,289 | 8,210,895.00 | 3.55 |
| Total Germany | | 20,433,411.47 | 8.84 |
| Italy | | | |
| Carel Industries SpA '144A' | 245,179 | 6,080,439.20 | 2.63 |
| Interpump Group SpA | 82,567 | 3,869,915.29 | 1.67 |
| Reply SpA | 64,631 | 7,723,404.50 | 3.34 |
| Technogym SpA '144A' | 453,841 | 4,114,068.67 | 1.78 |
| Total Italy | | 21,787,827.66 | 9.42 |
| Norway | | | |
| Medistim ASA | 381,746 | 7,282,165.05 | 3.15 |
| Total Norway | | 7,282,165.05 | 3.15 |
| Singapore | | | |
| XP Power Ltd | 123,976 | 1,940,090.26 | 0.84 |
| Total Singapore | | 1,940,090.26 | 0.84 |
| Sweden | | | |
| AAK AB | 296,069 | 5,978,657.79 | 2.59 |
| Avanza Bank Holding AB | 156,484 | 3,296,303.85 | 1.43 |
| Beijer Ref AB - Class B | 531,068 | 6,459,267.19 | 2.79 |
| Camurus AB | 24,545 | 1,188,409.88 | 0.51 |
| Fortinova Fastigheter AB | 286,689 | 695,327.24 | 0.30 |
| Fortnox AB | 531,864 | 2,879,972.17 | 1.25 |
| Hemnet Group AB | 290,803 | 6,316,400.09 | 2.73 |
| HMS Networks AB | 103,559 | 4,649,417.57 | 2.01 |
| INVISIO AB | 493,882 | 8,704,356.17 | 3.76 |

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

SEB European Equity Small Caps

| Security description | Total holdings | Market value in EUR | % of Net Assets |
|---|----------------|-----------------------|-----------------|
| Lime Technologies AB | 166,047 | 4,377,776.56 | 1.89 |
| Medicover AB - Class B | 407,385 | 5,496,540.33 | 2.38 |
| MIPS AB | 89,218 | 2,937,250.01 | 1.27 |
| Nexam Chemical Holding AB | 835,011 | 245,275.63 | 0.11 |
| Systemair AB | 792,035 | 5,627,756.64 | 2.43 |
| Wihlborgs Fastigheter AB | 62,515 | 530,115.72 | 0.23 |
| Total Sweden | | 59,382,826.84 | 25.68 |
| Switzerland | | | |
| Inficon Holding AG | 5,124 | 6,646,631.02 | 2.88 |
| Medacta Group SA '144A' | 43,159 | 5,830,504.76 | 2.52 |
| SIG Group AG | 356,064 | 7,410,613.74 | 3.21 |
| SKAN Group AG | 66,617 | 5,789,506.86 | 2.50 |
| VAT Group AG '144A' | 1,090 | 494,161.85 | 0.21 |
| Total Switzerland | | 26,171,418.23 | 11.32 |
| United Kingdom | | | |
| Animalcare Group Plc | 1,079,325 | 2,117,511.53 | 0.91 |
| Burford Capital Ltd | 519,756 | 7,275,870.12 | 3.15 |
| Games Workshop Group Plc | 68,564 | 7,809,764.25 | 3.38 |
| Kainos Group Plc | 481,459 | 6,217,474.62 | 2.69 |
| Mortgage Advice Bureau Holdings Ltd | 500,645 | 4,737,708.77 | 2.05 |
| Softcat Plc | 364,897 | 5,727,087.61 | 2.48 |
| Trainline Plc '144A' | 2,021,801 | 7,508,428.89 | 3.25 |
| YouGov Plc | 605,527 | 8,245,939.53 | 3.56 |
| Total United Kingdom | | 49,639,785.32 | 21.47 |
| Total Shares | | 222,679,590.57 | 96.29 |
| Total Transferable securities admitted to an official stock exchange listing | | 222,679,590.57 | 96.29 |
| Other Transferable Securities | | | |
| Shares | | | |
| Denmark | | | |
| Asetek A/S | 2,020,413 | 1,057,035.47 | 0.46 |
| Total Denmark | | 1,057,035.47 | 0.46 |
| United Kingdom | | | |
| Patisserie Holdings Plc* | 1,065,235 | 0.00 | 0.00 |
| Total United Kingdom | | 0.00 | 0.00 |
| Total Shares | | 1,057,035.47 | 0.46 |
| Total Other Transferable Securities | | 1,057,035.47 | 0.46 |
| Total Portfolio | | 223,736,626.04 | 96.75 |

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

SEB European Equity Small Caps

| | Market value in EUR | % of Net Assets |
|--|---------------------------|-----------------------|
| Cash at bank | | |
| Cash at bank | 7,777,652.62 | 3.36 |
| Total Cash at bank | 7,777,652.62 | 3.36 |
| Other assets | | |
| Bank interest receivable on cash accounts | 31,449.89 | 0.01 |
| Receivable on subscriptions | 33,563.67 | 0.02 |
| Total other assets | 65,013.56 | 0.03 |
| Liabilities | | |
| Management fees | (203,057.00) | (0.07) |
| Taxe d'abonnement | (15,133.30) | (0.01) |
| Payable on redemptions | (107,557.23) | (0.05) |
| Other liabilities | (12,691.86) | (0.01) |
| Total liabilities | (338,439.39) | (0.14) |
| Total Net Assets as at 31 December 2023 | 231,240,852.83 | 100.00 |

*Positions fair valued by the Management Company.

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

Statement of Operations

For the year ended 31 December 2023

| SEB European Equity Small Caps | |
|--------------------------------|---------------------|
| | EUR |
| Income | |
| Investment income (note 1) | 2,904,629.74 |
| Bank interest on cash accounts | 106,998.36 |
| Total income | 3,011,628.10 |
| Expenses | |
| Management fees (note 2) | 2,523,038.21 |
| Taxe d'abonnement (note 3) | 67,389.31 |
| Bank interest on cash accounts | 660.06 |
| Other expenses | 18,259.10 |
| Total expenses | 2,609,346.68 |
| Net income for the year | 402,281.42 |

Statement of Changes in Net Assets

For the year ended 31 December 2023

| | SEB European Equity Small Caps |
|---|--------------------------------|
| | EUR |
| Net Assets at the beginning of the year | 220,543,153.71 |
| Net income for the year | 402,281.42 |
| Net realised gain / (loss) on: | |
| - sales of securities | (394,093.77) |
| - foreign exchange | 5,421.35 |
| Total net realised loss | (388,672.42) |
| Change in net unrealised appreciation / (depreciation) on: | |
| - securities | 18,136,577.29 |
| Total change in net unrealised appreciation | 18,136,577.29 |
| Increase in Net Assets as a result of operations | 18,150,186.29 |
| Proceeds on issues of units | 41,193,465.45 |
| Payment on redemptions of units | (46,179,864.75) |
| Dividends paid | (2,466,087.87) |
| Total Net Assets as at 31 December 2023 | 231,240,852.83 |

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

Statement of Net Assets

As at 31 December 2023

| SEB European Equity Small Caps | |
|---|-----------------------|
| | EUR |
| Assets | |
| Portfolio at cost | 194,757,214.08 |
| Unrealised appreciation | 28,979,411.96 |
| Portfolio at market value (note 1) | 223,736,626.04 |
| Receivable interest and / or dividends | 31,449.89 |
| Cash at bank | 7,777,652.62 |
| Other assets | 33,563.67 |
| Total Assets | 231,579,292.22 |
| Liabilities | |
| Other liabilities | (338,439.39) |
| Total Liabilities | (338,439.39) |
| Total Net Assets as at 31 December 2023 | 231,240,852.83 |
| Units outstanding as at year end: | |
| "C (EUR)" | 113,206.5880 |
| "C (SEK)" | 9,051.9810 |
| "D (EUR)" | 222,696.6230 |
| "IC (EUR)" | 500,950.2690 |
| "IC (SEK)" | 1,916.0000 |
| "UC (EUR)" | 18,860.9690 |
| "UD (EUR)" | 2,933.8450 |
| "ZC (EUR)" | 303,071.0350 |
| Net Asset Value per unit as at year end: | |
| "C (EUR)" | 169.986 |
| "C (SEK)" | 188.871 |
| "D (EUR)" | 393.770 |
| "IC (EUR)" | 149.171 |
| "IC (SEK)" | 341.202 |
| "UC (EUR)" | 142.331 |
| "UD (EUR)" | 129.345 |
| "ZC (EUR)" | 152.779 |

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

Statistical Information

As at 31 December 2023

| SEB European Equity Small Caps | |
|---|----------------|
| | EUR |
| Number of "C (EUR)" units outstanding | |
| as at 31 December 2023 | 113,206.5880 |
| as at 31 December 2022 | 186,218.3620 |
| as at 31 December 2021 | 196,585.1100 |
| Number of "C (SEK)" units outstanding | |
| as at 31 December 2023 | 9,051.9810 |
| as at 31 December 2022 | 9,045.0100 |
| as at 31 December 2021 | 10,779.4690 |
| Number of "D (EUR)" units outstanding | |
| as at 31 December 2023 | 222,696.6230 |
| as at 31 December 2022 | 256,060.9630 |
| as at 31 December 2021 | 281,046.8450 |
| Number of "IC (EUR)" units outstanding | |
| as at 31 December 2023 | 500,950.2690 |
| as at 31 December 2022 | 403,705.1650 |
| as at 31 December 2021 | 89,210.7860 |
| Number of "IC (SEK)" units outstanding | |
| as at 31 December 2023 | 1,916.0000 |
| as at 31 December 2022 | 1,916.0000 |
| as at 31 December 2021 | 1,916.9990 |
| Number of "UC (EUR)" units outstanding | |
| as at 31 December 2023 | 18,860.9690 |
| as at 31 December 2022 | 2,722.2730 |
| as at 31 December 2021 | 14,312.5390 |
| Number of "UD (EUR)" units outstanding | |
| as at 31 December 2023 | 2,933.8450 |
| as at 31 December 2022 | 2,864.0490 |
| as at 31 December 2021 | 19.9050 |
| Number of "ZC (EUR)" units outstanding | |
| as at 31 December 2023 | 303,071.0350 |
| as at 31 December 2022 | 281,884.6520 |
| as at 31 December 2021 | 669,316.3050 |
| Total Net Assets | |
| as at 31 December 2023 | 231,240,852.83 |
| as at 31 December 2022 | 220,543,153.71 |
| as at 31 December 2021 | 379,798,549.89 |
| Net Asset Value per "C (EUR)" unit | |
| as at 31 December 2023 | 169.986 |
| as at 31 December 2022 | 157.270 |
| as at 31 December 2021 | 243.775 |
| Net Asset Value per "C (SEK)" unit | |
| as at 31 December 2023 | 188.871 |
| as at 31 December 2022 | 174.820 |
| as at 31 December 2021 | 250.176 |
| Net Asset Value per "D (EUR)" unit | |
| as at 31 December 2023 | 393.770 |
| as at 31 December 2022 | 373.260 |
| as at 31 December 2021 | 591.763 |

SEB European Equity Small Caps
EUR
Net Asset Value per "IC (EUR)" unit

| | |
|------------------------|---------|
| as at 31 December 2023 | 149.171 |
| as at 31 December 2022 | 137.139 |
| as at 31 December 2021 | 211.222 |

Net Asset Value per "IC (SEK)" unit

| | |
|------------------------|---------|
| as at 31 December 2023 | 341.202 |
| as at 31 December 2022 | 313.342 |
| as at 31 December 2021 | 444.891 |

Net Asset Value per "UC (EUR)" unit

| | |
|------------------------|---------|
| as at 31 December 2023 | 142.331 |
| as at 31 December 2022 | 130.714 |
| as at 31 December 2021 | 201.077 |

Net Asset Value per "UD (EUR)" unit

| | |
|------------------------|---------|
| as at 31 December 2023 | 129.345 |
| as at 31 December 2022 | 121.663 |
| as at 31 December 2021 | 191.386 |

Net Asset Value per "ZC (EUR)" unit

| | |
|------------------------|---------|
| as at 31 December 2023 | 152.779 |
| as at 31 December 2022 | 139.827 |
| as at 31 December 2021 | 214.385 |

Performance in % *)

| | |
|------------------|-----|
| "C (EUR)" units | 8.1 |
| "C (SEK)" units | 8.0 |
| "D (EUR)" units | 8.1 |
| "IC (EUR)" units | 8.8 |
| "IC (SEK)" units | 8.9 |
| "UC (EUR)" units | 8.9 |
| "UD (EUR)" units | 8.9 |
| "ZC (EUR)" units | 9.3 |

Dividend paid per D (EUR) unit

| | |
|------|--------|
| 2023 | 9.5928 |
| 2022 | 9.4058 |
| 2021 | 7.2253 |

Dividend paid per UD (EUR) unit

| | |
|------|--------|
| 2023 | 3.1013 |
| 2022 | 3.0231 |
| 2021 | 2.3043 |

Total Expense Ratio in % including performance fee (Unaudited) **) in %

| | |
|--|------|
| 01/01/2023 - 31/12/2023 "C (EUR)" units | 1.55 |
| 01/01/2023 - 31/12/2023 "C (SEK)" units | 1.71 |
| 01/01/2023 - 31/12/2023 "D (EUR)" units | 1.56 |
| 01/01/2023 - 31/12/2023 "IC (EUR)" units | 0.92 |
| 01/01/2023 - 31/12/2023 "IC (SEK)" units | 0.92 |
| 01/01/2023 - 31/12/2023 "UC (EUR)" units | 0.82 |
| 01/01/2023 - 31/12/2023 "UD (EUR)" units | 0.81 |
| 01/01/2023 - 31/12/2023 "ZC (EUR)" units | 0.47 |

| SEB European Equity Small Caps | |
|--|------|
| | EUR |
| Total Expense Ratio in % excluding performance fee (Unaudited) ****) in % | |
| 01/01/2023 - 31/12/2023 "C (EUR)" units | 1.55 |
| 01/01/2023 - 31/12/2023 "C (SEK)" units | 1.71 |
| 01/01/2023 - 31/12/2023 "D (EUR)" units | 1.56 |
| 01/01/2023 - 31/12/2023 "IC (EUR)" units | 0.92 |
| 01/01/2023 - 31/12/2023 "IC (SEK)" units | 0.92 |
| 01/01/2023 - 31/12/2023 "UC (EUR)" units | 0.82 |
| 01/01/2023 - 31/12/2023 "UD (EUR)" units | 0.81 |
| 01/01/2023 - 31/12/2023 "ZC (EUR)" units | 0.47 |

*) Performance is calculated by the following formula: (Year end closing NAV per unit or last NAV calculated in case of terminated classes + dividend per unit distributed respectively for D units) / (Prior year closing NAV per unit or first NAV per unit in case of newly launched classes) - 1) * 100.

**) TER (including performance fee) is calculated by the following formula: (Total expenses / average TNA)*100.

***) TER (excluding performance fee) is calculated by the following formula: (Total expenses - performance fee / average TNA)*100.

NAV = Net Asset Value
TNA = Total Net Assets

The past performance is no indication of current or future performance. The performance data do not take account of the costs incurred on the issue and redemption of units.

Notes to the Financial Statements

As at 31 December 2023

Note 1. Significant Accounting Policies

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

The financial statements have been prepared based on the last official Net Asset Value of the period which has been calculated on 29 December 2023 with the prices as of that date.

Investments are valued as follows:

| Investments | Last available price | Administrative Agent | Last available settlement prices | A price no lower than the bid price and no higher than the ask price | Latest available forward exchange rates |
|--|----------------------|----------------------|----------------------------------|--|---|
| Listed Transferable securities and money markets instruments | X | | | | |
| Unlisted Transferable securities and money markets instruments | | | | X | |
| Units or shares of UCI(TS) | | X | | | |

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 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.

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:

When substantial sums flow in or out of a Fund, the Investment Manager has to make adjustments, such as trading on the market, in order to maintain the desired asset allocation for the Fund. Trading can incur costs that affect the Unit price of the Fund and the value of existing Investors' investments. Swing pricing is designed to protect Investors' investments in this kind of situation.

The Unit price of the Fund may thus be adjusted upwards in case of large inflows and downwards in case of large outflows on a certain Business Day. The thresholds that trigger swing pricing as well as the size of the adjustments ("swing factor") are set by the board of directors of the Management Company or by a swing price committee appointed by the board of directors of the Management Company.

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 a Fund. 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.

| Umbrella | Fund | Maximum applied adjustment |
|--------------------------------|--------------------------------|----------------------------|
| SEB European Equity Small Caps | SEB European Equity Small Caps | 0.99% of the NAV |

No swing pricing adjustment has been applied to the year end Net Asset Value per unit calculated on the 29 December 2023.

Currency translation:

All assets denominated in a different currency to the Fund's currency are converted into the Fund's 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 29 December 2023, the exchange rates were as follows:

| | | | | | | | |
|-------|---|-------------|-----|-------|---|-------------|-----|
| 1 CHF | = | 1.075586002 | EUR | 1 NOK | = | 0.089139922 | EUR |
| 1 DKK | = | 0.134148184 | EUR | 1 SEK | = | 0.089828563 | EUR |
| 1 GBP | = | 1.154040000 | EUR | 1 USD | = | 0.905279260 | 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

The unit classes currently offered for the Fund of SEB European Equity Small Caps are listed below. In payment for its services, the Management Company receives an annual rate of:

| Fund name: | ISIN | Unit Class | Effective rate % |
|--------------------------------|--------------|-------------------|-------------------------|
| SEB European Equity Small Caps | LU1160606635 | C (EUR) | 1.50 |
| SEB European Equity Small Caps | LU0956267693 | C (SEK) | 1.65 |
| SEB European Equity Small Caps | LU0099984899 | D (EUR) | 1.50 |
| SEB European Equity Small Caps | LU2030514256 | IC (EUR) | 0.90 |
| SEB European Equity Small Caps | LU0956267933 | IC (SEK) | 0.90 |
| SEB European Equity Small Caps | LU1748252118 | UC (EUR) | 0.75 |
| SEB European Equity Small Caps | LU1808743485 | UD (EUR) | 0.75 |
| SEB European Equity Small Caps | LU1716944183 | ZC (EUR) | 0.45 |

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

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

Note 3. Taxation

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

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

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

Note 4. Transaction Fees

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

As at 31 December 2023, the transaction fees were as follows:

| | | |
|--------------------------------|-----------|-----|
| SEB European Equity Small Caps | 61,765.21 | EUR |
|--------------------------------|-----------|-----|

Note 5. Significant Events during the year

Prospectus:

A new prospectus was issued in January 2023.

There were no other significant events during the period.

Note 6. Subsequent Events after the year end

A new prospectus was issued in January 2024.

On 1 April 2024, SEB Asset Management AB was appointed as Global Distributor in place of Skandinaviska Enskilda Banken AB (publ). The new visiting address is Malmskillnadsgatan 44 B, 111 57 Stockholm, Sweden.

There were no other subsequent events after the year end.

Risk Disclosure (unaudited)

In the context of risk measurement and in accordance with CSSF Circular 11/512 a UCITS must calculate its global exposure on at least a daily basis.

For SEB European Equity Small Caps, the global exposure is calculated and monitored daily by using the commitment methodology.

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

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

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

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

Remuneration Disclosure (unaudited)

SEB Investment Management AB 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 Investors.

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 Investors' 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 Investors and the Management Company. Variable remuneration is an important aspect of designing a flexible remuneration system. Variable remuneration is composed of both cash and shares in investment funds or financial instruments which achieve the equivalent common interests as shares in the relevant investment funds.

The principles for variable remuneration adopted by the Management Company are established with the objective of reflecting the Management Company's low risk tolerance and being compatible with the Fund's prevailing risk profiles, fund rules, discretionary mandates, as well as internal and external regulations. The variable remuneration shall be based on the employee's performance and behaviour from a several-year perspective, as well as the performance and economic results of the employee's team, the Management Company and SEB as a whole.

At the same time as obtaining a sound balance between fixed and variable remuneration, the payment of variable remuneration shall be related to the Management Company's risk policy and creation of value for the fund Investors. This implies that certain maximum levels and deferment of payment shall apply to different personnel categories.

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

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

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

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

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

The remuneration committee

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

Follow up

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

| Regulated staff | Paid remuneration and benefits, 2023 (thousand) |
|--|--|
| | EUR |
| - Employees in leading strategic positions | 4,169 |
| - Employees responsible for control | 185 |
| - Risk-takers | 11,593 |
| - Employees whose total remuneration amounts to or exceeds the total remuneration to any of the Executive Board | - |
| | |
| | Total remuneration paid (thousand) |
| | EUR |
| - All employees (fixed remuneration) | 22,995 |
| - All employees (variable remuneration) | 6,570 |
| - Executive management and employees that significantly affect the risk profile of the alternative investment fund | 15,762 |
| | |
| <i>Number of employees during the year</i> | 209 |

Securities Financing Transactions Regulation (SFTR) (unaudited)

The Fund did not engage in any Securities Financing Transactions during the financial year ended 31 December 2023.

Sustainable Finance Disclosure Regulation (unaudited)

The SEB European Equity Small Caps Fund is categorised as an Article 8 Fund under the Sustainable Finance Disclosure Regulation.

The periodic disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 for SEB European Equity Small Caps Fund is disclosed overleaf.

Product name: SEB European Equity Small Caps

Legal entity identifier: 5299003MHF7KIZXQAT37

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

| Did this financial product have a sustainable investment objective? | |
|---|---|
| <input checked="" type="radio"/> <input type="radio"/> Yes | <input checked="" type="radio"/> <input type="radio"/> No |
| <input type="checkbox"/> It made sustainable investments with an environmental objective : ____% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective : ____% | <input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 19.38% of sustainable investments <input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments |



To what extent were the environmental and/or social characteristics promoted by this financial product met?

During the 2023 reference period, the fund promoted environmental and social characteristics by considering sustainability risks and opportunities both before the fund invested in a company and the ongoing monitoring of the investment, and by investing in companies classified as sustainable investments. In the fund's fundamental analysis process, the fund managers assessed the sustainability of, among other things, each company's products, services, operations and suppliers.

To support the work of assessing the companies' sustainability risks and opportunities, the fund used a quantitative tool in the form of the SEB Investment Management Sustainability Score, SIMS-S. SIMS-S is the fund company's proprietary sustainability model that rates all companies in the funds' investment universe based on multiple aspects of sustainability to establish a comprehensive and unbiased view.

The model consists of two main components: sustainability risks and sustainability opportunities. The model uses data from multiple vendors and is continuously modified as new data and new insights become available. The sustainability rating includes both a current status picture and a forward-looking perspective for each company. This provides fund managers the opportunity to assess current and future sustainability factors that can affect risk and return in the longer term.

Sustainability risks refer to environmental, social or governance-related events or circumstances that, if they were to occur, would have an actual or potential significant negative impact on the value of the investment.

Sustainability opportunities refer to environmental, social or governance-related events or circumstances that, if they were to occur, would have an actual or potential significant positive impact on the value of the investment.

The fund also promoted environmental and social attributes through its continuous efforts to influence companies' business models in a more sustainable direction. The fund company influenced companies on behalf of the fund by voting at general meetings, through dialogues with management teams and boards and in cooperation with other asset managers or partners.

Furthermore, the fund promoted environmental and social characteristics during the reference period by applying the fund company's exclusion criteria. The fund excluded investments in companies operating in industries or business areas deemed to have significant sustainability challenges.

Read more about SIMS-S, exclusions and SEB Investment Management's sustainability approach at sebgroupp.com/fundcompanysustainability.

● How did the sustainability indicators perform?

The fund achieved a SIMS-S rating of 4.86 at the end of 2023, which was lower than the fund's benchmark index which had a rating of 5.19. SIMS-S ratings are set on a scale of 0-10 with a normal distribution,

Sustainability indicators measure how the environmental or social characteristics pro-

moted by the financial product are attained.

which means that the normal outcome for a company is 5.0 and that most companies have a rating between 4.0-6.0.

The lower SIMS-S score for the fund is not due to a lack of focus on sustainability, but more a consequence of a lack of data for the portfolio companies. The improvement of data quality for the smaller companies in Europe is an ongoing process, where the investment team is actively encouraging the companies to disclose data in order to improve their scores.

The sustainability indicator outcome for 2023 showed that the fund voted at the AGMs of 41 companies and engaged with 26 companies. Engaging with companies' managements is important but also time consuming. Throughout the year, the investment team engaged in several meetings with managements of both current portfolio holdings as well as potential future investments. The most common topics in terms of sustainability engagement were around the inclusion of ESG in long-term management incentives plans and commitments to science-based targets in the future. This is considered a very efficient tool to accelerate focus on ESG for companies.

The fund successfully managed the exclusion criteria set by the fund company in terms of sustainability. 90 companies in the benchmark were excluded by the end of 2023.

● **...and compared to previous periods?**

The SIMS-Score for the fund was 4.86 in 2023 vs 4.88 in 2022. The fund's benchmark in 2023 was 5.19 vs 5.22 in 2022.

In 2023, the fund voted at 41 AGMs and engaged with 26 companies, compared to 2022, where the fund voted at 43 AGMs and engaged with 13 companies.

In 2023, 90 companies were excluded, compared to 93 in 2022.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

During the 2023 reference period, the fund did not commit to making sustainable investments, but during the period, the fund owned one or more companies that could be classified as sustainable investments whose economic activities are deemed to contribute to one or more of the following environmental and social objectives.

Social objectives:

- United Nations Social Development Goals (UN SDGs): SDG 1 — No poverty; SDG 2 — Zero hunger; SDG 3 — Good health and well-being; SDG 4 — Quality education; SDG 5 — Gender equality; SDG 6 — Clean water and sanitation; SDG 8 — Decent work and economic growth; SDG 10 — Reduced inequalities; SDG 11 — Sustainable cities and communities; and SDG 16 — Peace, justice and strong institutions
- Other social sustainability goals such as gender equality, social inclusion and diversity.

Environmental objectives considered environmentally sustainable according to the EU Taxonomy:

- The six goals defined by the EU Green Taxonomy: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

Environmental objectives that are not considered compatible with the EU Taxonomy

- The United Nations Environment-related Sustainable Development Goals (UN SDGs): SDG 6 — Clean water and sanitation; SDG 7 — Affordable and clean energy; SDG 9 — Industry, innovation and infrastructure; SDG 11 — Sustainable cities and communities; SDG 12 — Responsible consumption and production; SDG 13 — Climate action; SDG 14 — Life below water; and SDG 15 — Life on land
- Operational resource efficiency in key environmental areas such as carbon use, water use or use of raw materials.

The sustainable goals included in SEB Investment Management's definition of sustainable investments and quantitative thresholds are:

Environmental goals

- 10% of the company's revenue, capital expenditure or operating costs have been classified by estimation or reporting as significantly contributing to the six EU Taxonomy goals
- 20% of the company's revenue has been assessed as contributing to other global environmental goals, directly or indirectly linked to the UN SDGs
- The company outperforms its sector and region in terms of emission factors according to quantitative data
- The company outperforms its sector and region in other resource efficiency areas, such as water use, raw material consumption or waste generation, according to quantitative data
- The company has been fundamentally analysed and assessed as having a high contribution and exposure to environmental objectives

Social goals

- 20% of the company's revenue has been assessed to contribute to other global social goals, directly or indirectly linked to the UN SDGs

- The company outperforms relative to its region in terms of gender equality factors, according to quantitative data
- The company has been fundamentally analysed and assessed as having a high contribution and exposure to social goals

The fund company applies a pass/fail methodology, whereby an entire investment is classified and reported as sustainable if the requirements for contributing, not doing significant harm and good corporate governance are met. Other management companies may use a different methodology and criteria to classify an investment as sustainable. Therefore, the levels of sustainable investments may differ between fund companies depending on the methodologies, criteria and data providers used, and not only on levels of sustainability within the funds.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The fund company's sustainability policy is used as a first step to ensure no sustainable investment causes significant harm to any environmental or social sustainable investment objectives.

To ensure that no sustainable investment caused significant harm to any environmental or social sustainability goal, the fund worked with the following principles during the reference period:

- Excluded companies that do not comply with international norms and standards;
- Excluded companies operating in controversial sectors and business areas;
- Excluded companies that have exposure to fossil fuels or other activities with negative environmental impacts;
- Excluded companies that are not considered to fulfil the levels of minimum social safeguards as defined by the EU Taxonomy; and
- Used an external research partner's assessment of the companies' governance structure, labour relations, tax compliance and remuneration.

Read more about SIMS-S, exclusions and SEB Investment Management's sustainability approach at sebgroupp.com/fundcompanysustainability.

● *How were the indicators for adverse impacts on sustainability factors taken into account?*

During the reference period, the fund company's model for detecting companies with extreme values among the negative principal impact indicators (PAI) was used to avoid investing in companies that have caused significant harm. The negative impact indicators for sustainability factors used are those outlined in Annex I of the Sustainable Finance Disclosure Regulation's technical standard (CDR 2022/1288) - as well as the relevant PAIs in Tables 2 and 3 of Annex 1 of CDR 2022/1288. However, the indicators are dependent on the current availability of data.

Where sufficient coverage has been available, companies with significant negative performance in a geographical and sectoral context have not been included as sustainable investments.

Some indicators are considered through the exclusions outlined in the fund company's sustainability policy, in particular:

- Companies with activities in the fossil fuel sector;
- Companies with facilities/operations located in or near biodiversity-sensitive areas where the activities of these companies negatively impact these areas;
- Companies that do not comply with international norms and standards, such as the UN Global Compact principles and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- Companies involved in the manufacture or sale of controversial weapons (landmines, cluster bombs, chemical and biological weapons); and
- Companies whose activities affect endangered species.

Read more about exclusions within SEB Investment Management's sustainability approach at sebgroupp.com/fundcompanysustainability.

● *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

During the reference period, the fund's investments have been aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through the norm-based exclusion criteria set out in the fund company's sustainability policy and using the SIMS-S.

Norm-based exclusions mean that the fund company expects issuers to adhere to international laws and conventions such as the following:

- The UN Principles for Responsible Investment
- The UN Global Compact
- The OECD Guidelines for Multinational Enterprises

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- The UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights

Companies with confirmed violations are not considered sustainable investments.

Read more about exclusions within SEB Investment Management's sustainability approach at sebgroup.com/fundcompanysustainability.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

During the reference period, the fund considered principal adverse impacts on sustainability factors through the exclusions outlined in the fund company's sustainability policy where companies with operations in the following were excluded:

- Companies with activities in the fossil fuel sector;
- Companies with facilities/operations located in or near biodiversity-sensitive areas where the activities of these companies negatively impact these areas;
- Companies that do not comply with international norms and standards, such as the UN Global Compact principles and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- Companies involved in the manufacture or sale of controversial weapons (landmines, cluster bombs, chemical and biological weapons); and
- Companies whose activities affect endangered species.

In the fund's fundamental analysis process, the fund manager conducted a sustainability assessment of, among other things, each company's products, services, operations and suppliers. To support the work of assessing the companies' sustainability risks and opportunities, the fund manager used a quantitative tool in the form of the SEB Investment Management Sustainability Score, SIMS-S.

Using SIMS-S, the fund company's proprietary sustainability model, the following indicators for adverse impacts were considered:

- Greenhouse gas emissions of the investee companies;
- The carbon footprint of the investee companies;
- Greenhouse gas intensity of the investee companies;
- Whether companies operate in the fossil fuel sector;
- Energy consumption intensity per sector with high climate impact, for the investee companies;
- Whether the investee companies have facilities/operations located in or near biodiversity-sensitive areas where the operations of these companies negatively impact these areas;
- Emissions to water generated by the investee companies;
- The amount of hazardous waste generated by the investee companies;
- Whether the investee companies lack processes and compliance mechanisms to monitor compliance with the UN Global Compact and the OECD Guidelines for Multinational Enterprises;
- The unadjusted gender pay gap in the investee companies;
- Gender distribution of the board of directors of the investee companies;
- Whether the investee companies have decarbonisation initiatives in place to align with the Paris Agreement; and
- Whether the investee companies have a supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour).



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

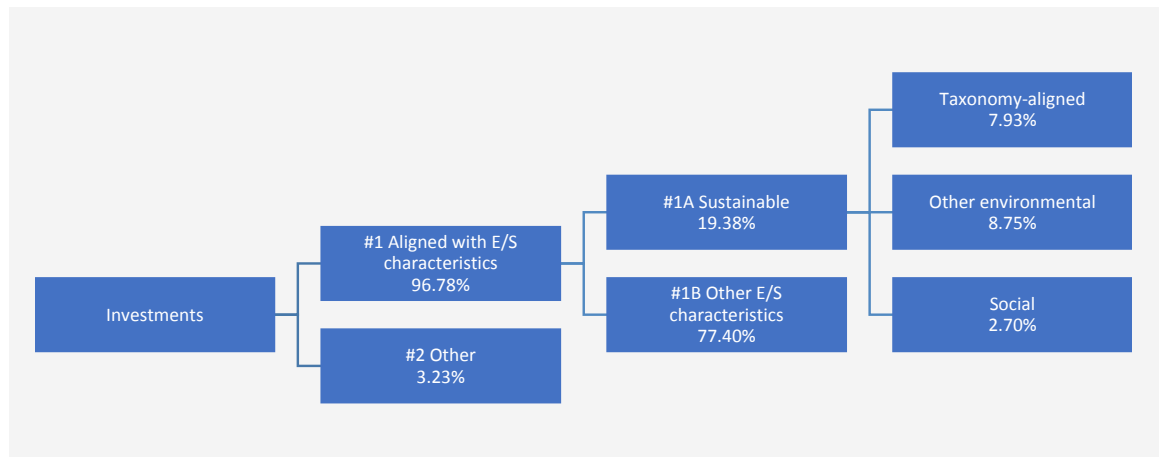
| Largest investments | Sector | % Assets | Country |
|-----------------------------------|------------------------|----------|----------------|
| Invisio Communications AB | Industrials | 4.22 | Sweden |
| SIG Combibloc Group Holdings Sarl | Materials | 3.91 | Switzerland |
| Medistim ASA | Health Care | 3.87 | Norway |
| Chemometec A/S | Health Care | 3.78 | Denmark |
| Games Workshop Group PLC | Consumer Discretionary | 3.68 | United Kingdom |
| Mensch und Maschine Software SE | Information Technology | 3.53 | Germany |
| Reply SpA | Information Technology | 3.42 | Italy |
| Beijer Ref AB | Industrials | 3.16 | Sweden |
| Carel Industries SpA | Industrials | 3.05 | Italy |
| Harvia Oyj | Consumer Discretionary | 3.02 | Finland |
| ID Logistics Group | Industrials | 2.94 | France |
| Trainline PLC | Consumer Discretionary | 2.89 | United Kingdom |
| Kainos Group PLC | Information Technology | 2.79 | United Kingdom |
| YouGov PLC | Communication Services | 2.77 | United Kingdom |
| Burford Capital Ltd | Financials | 2.75 | United States |



What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



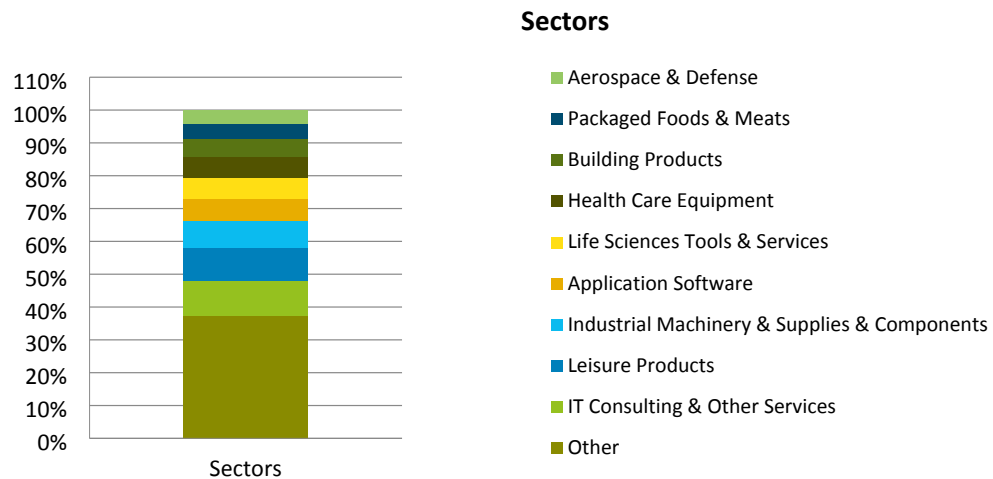
#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● In which economic sectors were the investments made?



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

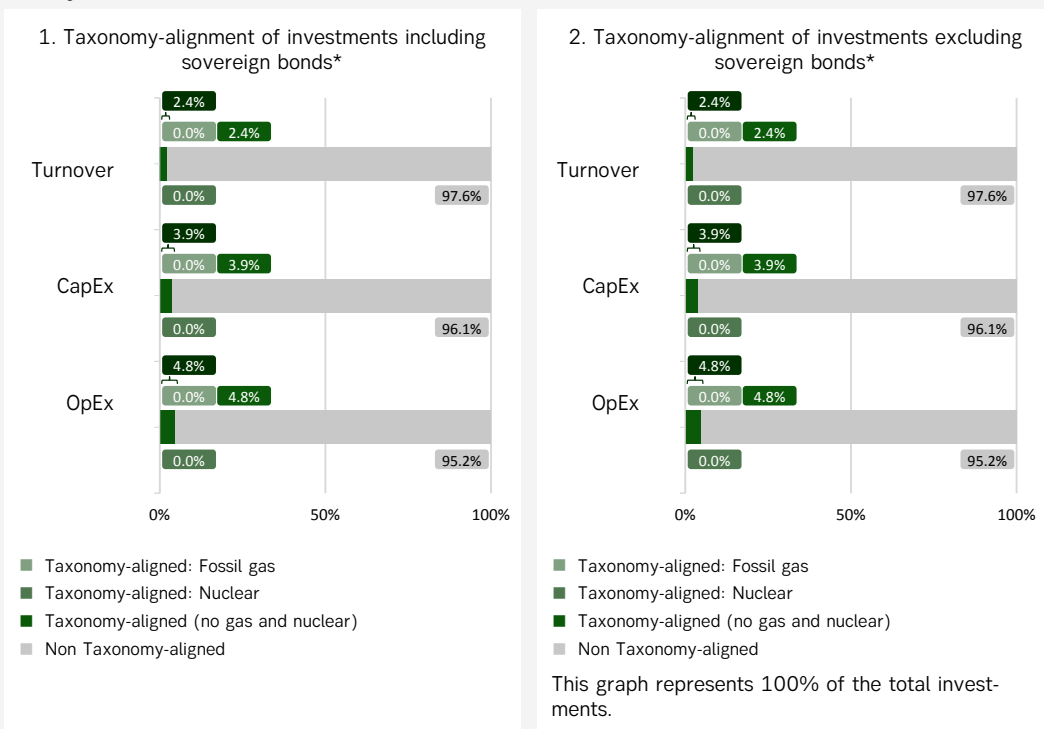
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What was the share of investments made in transitional and enabling activities?**

During 2023, the share of investments in transitional activities was 0.0%. The share in enabling activities was 0.1%.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

For the previous reference period, 2022, the EU Taxonomy aligned investments were as follows: revenue: 0.1%, Capex 0%, Opex 0%



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

At the end of 2023, the fund had an equivalent of 8.75% of investments that were classified as sustainable investments with environmental objectives but not compliant with the EU Taxonomy.

The fund company uses an internal process to define the contributions to environmental objectives and the classification of sustainable investments. The environmental goals included in SEB Investment Management's definition of sustainable investments and quantitative thresholds are:

- 10% of the issuer's revenue, capital expenditure or operating costs have, through conservative estimation or reporting, been classified as a significant contributor according to the six EU Taxonomy objectives;



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under

- 20% of the issuer's revenues have been assessed to contribute to other global environmental goals, directly or indirectly linked to the United Nations Sustainable Development Goals (UN SDGs);
- The issuer outperforms its sector and region in terms of emission factors according to quantitative data;
- The issuer outperforms its sector and region in other resource efficiency areas, such as water use, raw material consumption or waste generation, according to quantitative data; and
- The issuer has been fundamentally analysed and assessed as having a high contribution and exposure to environmental objectives.

The fund company applies a "pass/fail" methodology, where an investment is classified and recognised as contributing if the investment meets one or more of the above criteria.

At the end of 2023, 19.4% of the fund's holdings were classified as sustainable investments where the percentage for taxonomy alignment was 7.9% at the end of 2023.



What was the share of socially sustainable investments?

At the end of 2023, 2.7% were classified as social investments.

The social goals included in SEB Investment Management's definition of sustainable investments and quantitative thresholds are:

- 20% of the company's revenue has been assessed to contribute to other global social goals, directly or indirectly linked to the UN SDGs.
- The company outperforms relative to its region in terms of gender equality factors, according to quantitative data.
- The company has been fundamentally analysed and assessed as having a high contribution and exposure to social goals.

The fund company applies a "pass/fail" methodology, where an investment is classified and recognised as sustainable if the investment meets one or more of the above criteria.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Cash in the meaning of ancillary liquid assets and derivatives.

The purpose of cash was liquidity and flows, and the purpose of derivatives was efficient portfolio management techniques. During the reference period, there were no minimum environmental or social safeguards for these investments.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reference period, SEB Investment Management updated its sustainability policy with a clear position on biodiversity. Nature is the foundation of societies and economies and there is a growing appreciation for the need to include nature and biodiversity in investment decisions.

SEB Investment Management does not invest in companies that have verified violations of biodiversity-related norms. The fund company also excluded companies that had a negative impact on endangered species or bio-sensitive areas, including Arctic drilling.

Furthermore, the fund company monitors the companies with the greatest influence on and exposure to deforestation of tropical forests and aims to set zero-tolerance targets for deforestation as the global data quality on deforestation improves.

Since 2023, SEB Investment Management has been a member of the Taskforce for Nature-related Financial Disclosures (TNFD) Forum and is a signatory of the Finance for Biodiversity Pledge. In addition, the fund company also works independently to increase the quality and coverage of biodiversity data through collaborations with various actors within or close to the scientific community.

During the course of 2023, Netcompany incorporated ESG targets into their management incentive plans. SEB has pushed for companies to incorporate ESG targets.



How did this financial product perform compared to the reference benchmark?

● How does the reference benchmark differ from a broad market index?

The fund did not use a benchmark index to achieve its promotion of environmental and social characteristics.

Reference benchmarks are indexes to measure whether the financial product attains the

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

The fund did not use a benchmark index to achieve its promotion of environmental and social characteristics.

- **How did this financial product perform compared with the reference benchmark?**

The fund did not use a benchmark index to achieve its promotion of environmental and social characteristics.

- **How did this financial product perform compared with the broad market index?**

The fund did not use a benchmark index to achieve its promotion of environmental and social characteristics.

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