

Annual report including audited financial statements as at 31st December 2018

Elite Fund

A mutual investment Fund (F.C.P.) organised under the laws of the Grand-Duchy of Luxembourg with an umbrella structure

R.C.S. Luxembourg K63

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.

Elite Fund

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Elite Fund

Organisation

**Management Company
Central Administrator and
Alternative Investment Fund Manager
(AIFM)**

(since 22nd December 2018)

FundRock Management Company S.A.
H2O building
33, rue de Gasperich
L-5826 Hesperange

**Board of Directors of
the Management Company
and the AIFM**

Chairman
Michel Marcel VAREIKA
Independent Non-Executive Director, Luxembourg

Directors
Romain DENIS
Executive Director - IT Projects, Data Management &
Strategic Projects
FundRock Management Company S.A., Luxembourg

Eric MAY
Non-Executive Director
Founding Partner
BlackFin Capital Partners, Paris

Tracey MC DERMOTT
Independent Non-Executive Director Luxembourg

Grégory NICOLAS
Executive Director - Legal, Compliance, Corporate
FundRock Management Company S.A., Luxembourg

Serge RAGOZIN
Executive Director - Chief Operating Officer
FundRock Management Company S.A., Luxembourg

Ross THOMSON
Executive Director - Managing Director
FundRock Management Company S.A., Luxembourg

**Management Company
Central Administrator and
Alternative Investment Fund Manager
(AIFM)**

(until 21st December 2018)

FundRock Nordics S.A.
(until 15th November 2018 named SEB Fund Services S.A.)
4, rue Peternelchen
L-2370 Howald

**Board of Directors of
the Management Company**

Chairman
Göran FORS
Deputy Head of Investor Services
Skandinaviska Enskilda Banken AB (publ), Stockholm
(until 15th November 2018)

Directors
Claes-Johan GEIJER
Independent Director and Advisor
G Advisors S.à.r.l., Luxembourg

Elite Fund

Organisation (continued)

Marie JUHLIN
Managing Director
FundRock Nordics S.A., Luxembourg
(until 15th November 2018 named SEB Fund Services S.A.)

Jonas LINDGREN
Client Executive, Hedge Fund Coverage
Large Corporates and Financial Institutions
Skandinaviska Enskilda Banken AB (publ), Stockholm
(until 15th November 2018)

Serge RAGOZIN
Executive Director - Chief Operating Officer
FundRock Management Company S.A., Luxembourg
(since 15th November 2018)

Revel WOOD
Executive Director - Chief Executive Officer
FundRock Management Company S.A., Luxembourg
(from 15th November 2018 to 4th December 2018)

Depository and Paying Agent

Skandinaviska Enskilda Banken S.A.
4, rue Peternelchen
L-2370 Howald

Administrative Agent, Registrar and Transfer Agent

European Fund Administration S.A.
2, rue d'Alsace
L-1122 Luxembourg

Portfolio Manager

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

Auditor

PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator
L-2182 Luxembourg

Elite Fund

General information

Elite Fund (the "Fund") is an open-ended mutual investment fund "*Fonds Commun de Placement*" ("FCP"), governed by the laws of the Grand Duchy of Luxembourg, registered pursuant to Part II of the amended Law of 17th December 2010 (the "2010 Law") relating to Undertakings for Collective Investment and qualifies as an Alternative Investment Fund ("AIF") in accordance with the law of 12th July 2013 (the "2013 Law") on Alternative Investment Fund Managers. The Fund is managed by FundRock Management Company S.A. (formerly FundRock Nordics S.A. / formerly SEB Fund Services S.A.) (the "Management Company"), a Management Company governed by Chapter 15 of the amended 2010 Law, relating to Undertakings for Collective Investment. The Management Company also acts as Alternative Investment Fund Manager (the "AIFM") in accordance with the provisions of Chapter 2 of the 2013 Law.

The Fund is set up in accordance with Management Regulations signed in Luxembourg on 16th April 2003 as an umbrella Fund. The Management Regulations were amended for the last time with effect as of 1st November 2016 and were deposited with the Luxembourg Trade Register. A notice of the deposit was published on 2nd November 2016 in the RESA (Recueil Electronique des Sociétés et Associations), the new official electronic platform of central publication regarding companies and associations.

At the date of the financial statements, one Sub-Fund is at unitholders' disposal:

- Elite Fund - Star Choice in SEK

At the date of financial statements, the following unit classes may be issued:

- C (SEK) unit class : a capitalisation unit class,
- D (SEK) unit class : a distribution unit class.

The financial year of the Fund ends on 31st December.

The Net Asset Value per unit is calculated on each day that constitutes a Bank Business Day, defined as any day on which bank are open for business in Luxembourg except 24th December and 31st December (the "Valuation Day").

The accounts and the financial statements of the Fund are expressed in SEK and correspond to the financial statements of the sole Sub-Fund open.

The Net Asset Value per unit of each class, subscription and redemption prices in the Sub-Fund are made public at the office of FundRock Management Company S.A..

An annual report audited and semi-annual reports are available to unit holders at the office of FundRock Management Company S.A..

The following documents can be inspected by the unit holders at the offices of the Depositary and the AIFM / Management Company:

- Management Regulations,
- Prospectus,
- Agreement with the Depositary,
- Portfolio Management Agreement with Skandinaviska Enskilda Banken AB (publ).

Report from the Management Company

Market update

The global economy grew at a steady rate in 2018. The pace of growth in the US was quite strong, and this was also reflected in strong earnings. Europe also began the first half of the year with quite strong growth, but in the second half we started to see signs of lower activity in several European countries, including Germany. Also in Asia we saw signs of slowing growth, but overall the global GDP growth according to IMF will be 3.7 per cent for 2018 and 3.5 per cent for 2019. Despite the relatively high growth and tight labour market, inflation in the developed markets is still around two per cent.

The Trump administration introduced the promised tax cuts which fueled the positive momentum and somehow made it easier for the FED to continue to tighten monetary policy. But after the last interest hike in September and the significant reduction of the Federal Reserve's balance sheet, markets started to tumble. Needless to say the fourth quarter of 2018 was a very weak period for financial assets. Broad equity indices declined at their low point by more than 20 per cent but recovered slightly during the last few days of December. To put this in perspective the US stock market ended 2018 with the worst December since 1931.

At the end of the year we saw more dovish statements from central banks, which probably means that the existing low interest rate environment will continue for some time. The US trade conflict with China, Brexit negotiations and the Italian budget discussions have had negative implications on the financial markets.

Fund update

The Fund had a bad performance in 2018, down -4.8% after a dividend distribution of SEK 1.20 per unit. The main reason for the weak development was a severe fall in global share prices during the second half of the year.

Especially a drop in the Swedish equity market (OMX30 Return Index -7,0%) affected the Fund badly. The asset class Swedish Equities normally represents approximately 50% of assets. Even as the Fund held an underweight from the beginning of the year - because of the high market valuation - the fall on the Swedish stock market had a severe negative impact on the net asset value.

The Global Equity asset class represents approximately 10 % of net asset value over time. Since the start, the focus has been on investments in Emerging Markets funds as these markets are expected to outperform global growth over longer periods. It has been successful strategy so far, but during 2018 it cost performance. The Emerging Markets performed worse than global equities in general (MSCI Emerging Net Index -7,5%) and the holding was another burden for the Fund.

Due to a rise in Swedish interest rates, the asset class Fixed Income yielded slightly negative.

The relatively weak SEK has not been a determinant factor for Fund's performance.

Strategy going forward

Even though we are late in the economic cycle growth seems to hold up well and interest rates will probably stay low for a longer period of time. This environment will be supportive for equities but volatility is normally higher in this phase. One shall of course also take into consideration the fact that that we see a lot of geopolitical tensions out there.

Until more information is available, the underweight in Swedish Equities remains.

Luxembourg, 27th May 2019

The Board of Directors of the Management Company

Note: The information in this report represents historical data and is not an indication of future results.



Audit report

To the Unitholders of
Elite Fund

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Elite Fund (the "Fund") as at 31 December 2018, 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 and presentation of the financial statements.

What we have audited

The Fund's financial statements comprise:

- the statement of net assets as at 31 December 2018;
- the statement of investments and other net assets as at 31 December 2018;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

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

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors of the Management Company is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

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



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

Responsibilities 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 the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors 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.

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

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

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Management Company;



- conclude on the appropriateness of the Board of Directors of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers, Société coopérative

Luxembourg, 4 June 2019

Represented by

Philippe Sergiel

Elite Fund - Star Choice

Statement of net assets (in SEK)

as at 31st December 2018

Assets

Investments

Securities portfolio at market value	1,232,154,286.46
	<u>1,232,154,286.46</u>

Cash and cash equivalents

Cash at banks	185,234,977.55
	<u>185,234,977.55</u>

Receivables

Income receivable on portfolio	41,912.22
Other income receivable	421,088.84
	<u>463,001.06</u>

Total assets

1,417,852,265.07

Liabilities

Payables

Expenses payable	794,545.24
	<u>794,545.24</u>

Borrowings

Bank overdrafts	283.97
	<u>283.97</u>

Total liabilities

794,829.21

Total net assets at the end of the year

1,417,057,435.86

Breakdown of net assets per unit class

Unit class	Number of units	Currency of unit class	NAV per unit in currency of unit class	Net assets per unit class (in SEK)
C (SEK)	1,202,509.077	SEK	136.779	164,477,684.58
D (SEK)	4,978,851.360	SEK	251.580	1,252,579,751.28
				<u>1,417,057,435.86</u>

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

Elite Fund - Star Choice

Statement of operations (in SEK)

from 1st January 2018 to 31st December 2018

Income

Investment income

Dividends, net	14,539,871.01
Interest on bonds and other debt securities, net	776,710.84
Interest on bank accounts	475.07
	<hr/>
	15,317,056.92

Realised gain on investments

- on securities portfolio	23,325,513.58
- on foreign exchange	224,297.57
	<hr/>
	23,549,811.15

Appreciation of unrealised results on investments

- on securities portfolio	21,779,084.33
	<hr/>
	21,779,084.33

Other income

Other commissions received	1,562,728.04
Other revenue	6,785,499.24
	<hr/>
	8,348,227.28
	<hr/>

Total income

68,994,179.68

Expenses

Investment advisory or management fees

Management fees	7,838,638.93
	<hr/>
	7,838,638.93

Other expenses

Banking charges and other fees	211.94
Transaction fees	52,599.20
Other administration costs	82,711.81
Subscription duty ("taxe d'abonnement")	655,503.75
Bank interest paid	1,306,097.39
Other fees	664,931.62
	<hr/>
	2,762,055.71

Realised loss on investments

- on securities portfolio	9,225,825.35
- on forward foreign exchange contracts	21,067.96
	<hr/>
	9,246,893.31

Depreciation of unrealised results on investments

- on securities portfolio	121,082,509.88
	<hr/>
	121,082,509.88

Total expenses

140,930,097.83

Net expenditure

-71,935,918.15

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

Elite Fund - Star Choice

Statement of changes in net assets (in SEK)

from 1st January 2018 to 31st December 2018

Net expenditure	-71,935,918.15
Dividends paid	-5,974,167.27
Subscriptions	10,023,015.90
Redemptions	-6,915,887.88
Total changes in net assets	<hr/> -74,802,957.40
Total net assets at the beginning of the year	<hr/> 1,491,860,393.26
<u>Total net assets at the end of the year</u>	<u><hr/>1,417,057,435.86</u>

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

Elite Fund - Star Choice

Statistical information (in SEK)

as at 31st December 2018

Total net assets	Currency	31.12.2016	31.12.2017	31.12.2018
	SEK	1,391,675,562.15	1,491,860,393.26	1,417,057,435.86

Net asset value per unit	Currency	31.12.2016	31.12.2017	31.12.2018
C (SEK)	SEK	135.847	143.967	136.779
D (SEK)	SEK	251.139	265.493	251.580

Number of units	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
C (SEK)	1,214,663.626	33,967.391	-46,121.940	1,202,509.077
D (SEK)	4,960,534.979	18,504.696	-188.315	4,978,851.360

Dividends paid	Currency	Dividend per unit	Ex-dividend date
D (SEK)	SEK	1.20	05.12.2018

Elite Fund - Star Choice

Statement of investments and other net assets (in SEK)

as at 31st December 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
SEK	125,000	ABB Ltd Reg	24,441,407.50	21,331,250.00	1.51
SEK	130,000	Assa Abloy AB B	23,501,586.40	20,559,500.00	1.45
SEK	97,000	Atlas Copco AB A Reg	12,948,927.33	20,418,500.00	1.44
SEK	125,000	Hennes & Mauritz AB B	27,800,901.01	15,752,500.00	1.11
SEK	155,000	Hufvudstaden AB A	20,323,956.06	21,219,500.00	1.50
SEK	310,000	Industrivaerden AB C	45,567,004.97	55,552,000.00	3.92
SEK	170,000	Investor AB B	59,898,404.73	63,852,000.00	4.51
SEK	95,000	Kinnevik AB B	23,885,681.30	20,301,500.00	1.43
SEK	120,000	Lundbergforetagen AB B	28,227,210.10	31,344,000.00	2.21
SEK	149,000	NCC AB B	25,124,141.76	20,532,200.00	1.45
SEK	290,000	Nordea Bank Abp Reg	25,914,363.03	21,628,200.00	1.53
SEK	194,000	Sandvik AB	15,803,405.58	24,511,900.00	1.73
SEK	310,000	Skandinaviska Enskilda Bk AB A	30,149,724.20	26,691,000.00	1.88
SEK	190,000	Skanska AB B	29,411,302.86	26,790,000.00	1.89
SEK	225,000	Svenska Handelsbanken AB A	24,644,372.85	22,117,500.00	1.56
SEK	140,000	Swedbank AB A	26,461,603.00	27,685,000.00	1.95
SEK	275,000	Telefon AB LM Ericsson B	20,328,778.25	21,428,000.00	1.51
SEK	185,000	Volvo AB B	20,905,484.75	21,450,750.00	1.51
			485,338,255.68	483,165,300.00	34.09
USD	6,000	Apple Inc	9,966,948.74	8,397,667.48	0.59
			495,305,204.42	491,562,967.48	34.68
Bonds					
SEK	5,000,000	Aker ASA FRN Sen 14/24.07.19	5,012,406.95	5,052,225.00	0.36
SEK	10,000,000	Bluestep Bank AB FRN DMTN 18/13.12.21	10,000,000.00	10,001,200.00	0.71
SEK	8,000,000	Epiroc AB FRN EMTN Sen 18/06.12.23	8,000,000.00	7,998,600.00	0.56
			23,012,406.95	23,052,025.00	1.63
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
EUR	17,020	CB European Quality Fd European Equity I EUR Cap	16,195,743.39	22,373,987.45	1.58
EUR	385,714.2	Montanaro Smaller Co Plc European Fd Cap	12,447,396.21	19,328,239.50	1.36
			28,643,139.60	41,702,226.95	2.94
SEK	1,073,610.430551	AMF Rantefond Kort Dist	119,859,246.98	119,729,035.22	8.45
SEK	1,250,752.936	Carnegie Sverige Select Units Dist	26,221,441.28	29,841,088.92	2.11
SEK	956,763.766926	Lannebo Likviditetsfond Units Cap	110,000,000.00	109,472,910.21	7.73
SEK	12,906.8525	Nordic Equities Strateg Units Dist	15,942,907.88	20,080,299.13	1.42
SEK	169,537.9293	Nordic Equities Sweden Units	18,687,000.10	31,769,305.68	2.24
SEK	1,094,334.1131	SEB Kortantefond SEK P Cap	110,000,801.60	108,999,288.97	7.69
			400,711,397.84	419,891,928.13	29.64
USD	224,916.352	Eastspring Investments China Equity Fd A USD Cap	20,810,332.93	27,021,240.49	1.91
USD	52,180.675	Goldman Sachs Fds Scv India Equity Ptf Base USD Cap	9,949,547.04	9,116,350.11	0.64
USD	2,162,747.548	J O Hambro Cap Mgt Umbr Fd Plc Emerging Mks B USD Dist	20,802,740.50	24,543,808.80	1.73
USD	28,616.619	William Blair Scv Emerging Mks Leaders Fd I USD Cap	20,643,671.46	25,843,203.93	1.82
			72,206,291.93	86,524,603.33	6.10
			501,560,829.37	548,118,758.41	38.68
Investment funds (UCI)					
SEK	8,149.270182	Brummer Multi-Strategy Dist	20,000,000.00	19,259,164.52	1.36
SEK	200	Partners Gr P Mks CS ELTIF SCA Credit Strategie 2017 R Dist	20,000,000.00	20,008,316.00	1.41
SEK	122,922.619	Rhenman & Partners Fd Healthcare Equity L/S RC2 SEK Cap	16,355,389.47	53,361,938.13	3.77

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

Elite Fund - Star Choice

Statement of investments and other net assets (in SEK) (continued) as at 31st December 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
SEK	200,000	SEB Cred Opportunity IV IC Cap 15.01.21	20,000,000.00	20,331,600.00	1.43
SEK	200,000	SEB NanoCap C SEK Cap	20,000,000.00	19,977,500.00	1.41
SEK	9,897.7631	Strand Smabolagsfond Units Dist	14,015,000.05	26,479,188.69	1.87
			110,370,389.52	159,417,707.34	11.25
USD	836.5744	Manticore Fd KY Ltd A1 USD Ser 10	9,744,985.01	10,002,828.23	0.71
Total investment funds (UCI)			120,115,374.53	169,420,535.57	11.96
Total investments in securities			1,139,993,815.27	1,232,154,286.46	86.95
Cash at banks				185,234,977.55	13.07
Bank overdrafts				-283.97	0.00
Other net assets/(liabilities)				-331,544.18	-0.02
Total				1,417,057,435.86	100.00

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

Elite Fund - Star Choice

Industrial and geographical classification of investments as at 31st December 2018

Industrial classification

(in percentage of net assets)

Investment funds	50.64 %
Financials	17.49 %
Industrials	10.39 %
Real estate	3.71 %
Cyclical consumer goods	2.62 %
Technologies	2.10 %
Total	<u>86.95 %</u>

Geographical classification

(by domicile of the issuer)
(in percentage of net assets)

Sweden	66.60 %
Luxembourg	12.56 %
Ireland	3.09 %
Finland	1.53 %
Switzerland	1.51 %
Cayman Islands	0.71 %
United States of America	0.59 %
Norway	0.36 %
Total	<u>86.95 %</u>

Elite Fund

Notes to the financial statements

as at 31st December 2018

Note 1 - Significant accounting policies

a) Presentation of the financial statements

The financial statements of the Fund are established in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment and with generally accepted accounting principles in Luxembourg.

In accordance with the prospectus, the last trading/official Net Asset Value is dated 28th December 2018. An unofficial Net Asset Value dated 31st December 2018 has been calculated for reporting purposes and is disclosed in these financial statements.

b) Valuation

- a) Transferable securities and money market instruments, which are officially listed on a stock exchange, are valued at the last available price.
- b) Transferable securities and money market instruments, which are not officially listed on a stock exchange, but which are traded on another regulated market are valued at a price no lower than the bid price and no higher than the ask price at the time of the valuation and at which the Management Company and the AIFM 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 and the AIFM, following generally accepted valuation principles.
- e) Units or shares of UCI(TS) are valued at the last available Net Asset Value obtained from the Administrative Agent of such UCI(TS).

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 and the AIFM 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.

c) Realised gain/(loss) on securities portfolio

The realised gain/(loss) on securities portfolio is determined on the basis of the average cost of securities sold and are disclosed in the statement of operations.

d) Cost of securities

The acquisition cost of a security denominated in a currency other than that of the Sub-Fund is converted into the Sub-Fund's currency at the exchange rate prevailing on the date of purchase.

Elite Fund

Notes to the financial statements (continued)

as at 31st December 2018

e) Exchange translation

Bank balances, other assets and liabilities and the value of securities held that are denominated in other currencies than the Sub-Fund's currency are converted at the prevailing exchange rate of the closing day. Income and expenses incurred in currencies other than the Sub-Fund's currency are converted at the prevailing exchange rate of the day of each transaction. Exchange gains and losses are disclosed in the statement of operations.

At the date of the financial statements, the prevailing exchange rates on the closing day were as follows:

1	SEK	=	0.098602	EUR	Euro
			0.112702	USD	US Dollar

f) Investment income

Dividend income is recognised on an ex-dividend basis and is disclosed net of withholding tax.

Interest income accrued and payable are recorded, net of any withholding tax.

g) Transaction fees

Transaction costs disclosed under the caption "Transaction fees" in the expenses of the statement of operations are mainly composed of broker fees incurred by the Fund relating to purchases or sales of securities, of fees relating to liquidation of transactions paid to the Depositary and of transaction fees on financial instruments.

Note 2 - Management fees

In consideration for its management services related to the Fund, the AIFM / Management Company is entitled to receive a management fee up to 0.70% for each unit class.

These rates include the fees payable to Administrative Agent, the Registrar and Transfer Agent, to the Depositary as well as to the Portfolio Manager.

The management fee is payable monthly at the end of each month and based on the average net assets of the Sub-Fund calculated daily for the relevant month.

Note 3 - Subscription duty ("taxe d'abonnement")

The Fund is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the Fund is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter.

Pursuant to Article 175 (a) of the amended law of 17th December 2010 the net assets invested in Undertakings for Collective Investment already subject to the "*taxe d'abonnement*" are exempt from this tax.

The rate of this tax may be reduced to 0.01% of the value of the net assets for Sub-Funds or classes of units reserved to institutional investors (Class I units).

Note 4 - Withholding tax refund

The Management Company of the Fund has instigated proceedings to reclaim tax withheld by certain Member States of the European Union on dividend payments it has received. The decision to initiate proceedings against any particular Member State is the result of an analysis of the likely costs and potential benefits of doing so.

Elite Fund

Notes to the financial statements (continued)

as at 31st December 2018

The likelihood of successfully reclaiming such amounts together with the estimated time to complete proceedings varies across Member States.

In December 2017, the Management Company has claimed withholding tax in Sweden for Elite Fund for the years 2015, 2016 and 2017.

On the 26th February 2018, the claim withholding tax in Sweden allowed a net refund of SEK 3,051,349.00.

On the 6th June 2018, the claim withholding tax in Sweden allowed a net refund of SEK 3,734,004.00.

The withholding tax refund is included in the item "other revenue" disclosed in the statement of operations.

Note 5 - Changes in the investment portfolio

The statement of changes in the investment portfolio for the period covered by the financial statements is available free of charge upon request from the registered office of the AIFM / Management Company.

Note 6 - Event

FundRock Management Company S.A. has completed the acquisition of SEB Fund Services S.A. from Skandinaviska Enskilda Banken AB (publ) on the 15th November 2018. The deal was first announced on 22nd May 2018 and concluded following regulatory approval of the Commission de Surveillance du Secteur Financier.

SEB Fund Services S.A. was renamed into FundRock Nordics S.A. on the 15th November 2018. On the 21st December 2018 FundRock Nordics S.A. was merged into FundRock Management Company S.A.

Elite Fund

Additional information (unaudited)

as at 31st December 2018

1 - Risk management disclosure

1.1. Risk Profile

The current risk profile of the Sub-Funds as disclosed in the Prospectus has not been amended throughout the reporting period. The AIFM/Management Company monitors the overall risk profile of the Fund, including market, liquidity, counterparty as well as the level of the leverage.

No limits as set by the Board of Directors of the AIFM/Management Company as part of the risk profile have been exceeded or are likely to be exceeded by the Sub-Funds.

1.2. Risk Management systems

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

1.3. Leverage

In accordance with the Law of 12th July 2013 (the "2013 Law"), the maximum level of leverage which the AIFM is entitled to employ on behalf of Elite Fund is 110% in accordance with the commitment method and 110% in accordance with the gross method of the total assets.

The AIFM calculates the leverage on a gross and on a commitment method in accordance with Article 7 and Article 8 of the Commission Delegated Regulation EU/231/2013 (the "AIFM Regulation") on a monthly basis. 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 level of leverage during the reporting period is disclosed below:

Sub-Fund	Internal Leverage - limit	Gross Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2018
Elite Fund - Star Choice	110% Gross (110% Commitment)	80.41%	83.41%	88.78%	87.02%
		Commitment Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2018
		93.44%	99.83%	103.73%	100.02%

2 - Remuneration disclosure

FundRock Management Company S.A. ("FundRock") has established and applies a remuneration policy in accordance with the principles laid out under the AIFMD and UCITS V directive, and any related legal & regulatory provisions applicable in Luxembourg. The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the Funds that it manages and of the investors in such Funds, and which includes, *inter alia*, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds that the Management Company manages.

Elite Fund

Additional information (unaudited) (continued)

as at 31st December 2018

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock's employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the funds under management.

A paper version of the remuneration policy is made available free of charge to investors at FundRock's registered office.

The amount of remuneration, including social charges and benefits, for the financial year ending 31st December 2018 was: EUR 6,459,595.00

Fixed remuneration: EUR 6,271,345.00

Variable remuneration: EUR 188,250.00

This does not include the remuneration to SEB Fund Services/FundRock Nordics for the period from the 1st of January 2018 till the 21st of December 2018 prior to the merger of SEB Fund Services/FundRock Nordics with FundRock Management Company on the 21st December 2018.

Number of beneficiaries: 64

The aggregated amount of remuneration for the financial year ending 31st December 2018 of Identified staff/risk takers is as follows:

Identified staff/risk takers: EUR 1,069,358.00

Other risk takers: EUR Nil

The remuneration to SEB Fund Services/FundRock Nordics for the period from the 1st of January 2018 till the 21st December 2018 prior to the merger of SEB Fund Services/FundRock Nordics with FundRock Management Company on the 21st December 2018, including social charges and benefits was: EUR 2,286,192.83

Fixed remuneration: EUR 2,245,970.33

Variable remuneration: EUR 40,222.50

Number of beneficiaries: 19

The aggregated amount of remuneration for the period from the 1st of January 2018 till the 21st December 2018 prior to the merger of SEB Fund Services/FundRock Nordics with FundRock Management Company on the 21st December 2018, of Identified staff/risk takers is as follows:

Identified staff/risk takers: EUR 489,625.06

Other risk takers: EUR Nil

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the overall results of FundRock, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The Policy is subject to annual review by the Compliance Officer and the update is performed by HR department of FundRock and is presented for review to the Remuneration Committee and approval by the Board of FundRock.

The policy was last updated in February 2019, to reflect the additional requirements of the "UCITS V" Directive.

3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")

During the reporting period, the Fund did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported.

