

# **Annual report including audited financial statements as at 31st December 2019**

## **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

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

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

**Members**

Romain DENIS  
Executive Director - Co-Managing Director  
FundRock Management Company S.A., Luxembourg

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

Tracey MCDERMOTT  
Independent Non-Executive Director, Luxembourg

Grégory NICOLAS  
Executive Director - Co-Managing Director  
FundRock Management Company S.A., Luxembourg

Xavier PARAIN  
Executive Director - Chief Executive Officer  
FundRock Management Company S.A., Luxembourg  
(since 1st April 2019)

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

Ross THOMSON  
Executive Director - Managing Director  
FundRock Management Company S.A., Luxembourg  
(until 22nd July 2019)

**Conducting Officers**

Romain DENIS  
Executive Director - Co-Managing Director

Grégory NICOLAS  
Executive Director - Co-Managing Director

Matteo SBROLLA  
Director Investment Management and Distribution Oversight  
(since 17th December 2019)

## Elite Fund

### Organisation (continued)

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#### **Depository and Paying Agent**

Société Générale Luxembourg  
11, avenue Emile Reuter  
L-2420 Luxembourg  
(since 27th January 2020)

Skandinaviska Enskilda Banken S.A.  
4, rue Peternelchen  
L-2370 Howald  
(until 26th January 2020)

#### **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

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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. (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).

## **Elite Fund**

### **Report from the Management Company**

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#### **Market update**

The economic forecasting challenges of early 2020 are in some ways, diametrically opposite to those of a year ago. Concerns in early 2019 about tightening of US monetary policy were followed late in the summer by recession worries due to a collapse in Treasury bond yields that led to a negative slope in the US yield curve. This curve is viewed by many as a reliable recession indicator. During the autumn, optimism and risk appetite gradually improved in financial markets. The Federal Reserves “mid-cycle“ correction by means of three key interest rate cuts in 2019 was favourably received, while trade risks decreased due to progress in US-Chinese trade negotiations. Manufacturing activity is showing signs of bottoming out, while domestic demand has remained resilient in most countries.

The sharp fluctuations in the mood of financial markets this past year have generally not coincided with forecasts of the real economy. Downward adjustments in the course of 2019 have been relatively small. Global GDP growth appears to have bottomed out in 2019 and will now accelerate a bit to 3.1% in 2020 and 3.3% in 2021 mainly due to recovery in emerging market economies (according to OECD, IMF).

The uncertainty factors that have inhibited growth in varying degrees over the past few years are likely persist in 2020 and 2021. The tensions between the United States and China are based on complex factors, and this past month’s drama in US-Iran relations accentuates the latent highly inflammable situation in the Middle East. Negotiations on future relations between the European Union and the United Kingdom will also be complex and prolonged, and this will continue to hamper economic activity especially in the UK. But at the same time, actors involved in all these encounters have powerful reasons for avoiding escalation. They are thus unlikely to be the main cause of a new recession.

A minor acceleration in growth and ultra-low bond yields will help to sustain the relatively high share valuations. Main scenario is slightly positive returns, with good performance for both cyclical industrials and structurally favoured growth companies in digitization and sustainability.

#### **Fund update**

Developments for the Fund were positive during the year. The funds equity holding contributed positive to Fund performance, while the hedge fund and fixed income portfolios had small impact. The fund performance for the fiscal year was 16.3%.

Over the year we bought shares in Öresund, ABB, NCC, Handelsbanken and SEB and we sold shares in Sandvik, Skanska, Investor and Hufvudstaden.

During the year we bought units in SEB Lyxor Impact Fund and we sold units in East Spring Asia Fund.

To increase the return on low risk assets, we made additional investments in the discretionary managed bond portfolio.

#### **Strategy going forward**

The environment for equities and other risky assets will still be supportive. Growth is improving, interest rates will stay low for a foreseeable future and valuations are not too stretched. The intention is to increase the equity part of the portfolio if our main scenario turns out to be correct. We will of course follow markets and statistics closely and be prepared if the scenario turns.

## **Elite Fund**

### **Report from the Management Company (continued)**

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#### **General Outlook**

Since the year end we have seen the development of the coronavirus covid-19 outbreak initially in China and now reaching most continents. At present it is not possible to assess the detailed impact of the emerging risk, on the investments in our portfolio but there is growing concern about the impact on the world economy. There has been a significant correction in the financial markets in the last few weeks. The Board and the Manager continue to watch the efforts of governments to contain the spread of the virus and monitor the economic impact, if any, on the investments in our portfolio.

Luxembourg, 8th June 2020

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**

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### **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 2019, 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 2019;
- the statement of investments and other net assets as at 31 December 2019;
- 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.

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### **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.

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### **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.

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**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.

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**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  
Represented by

Luxembourg, 19 June 2020

Philippe Sergiel

## Elite Fund - Star Choice

### Statement of net assets (in SEK) as at 31st December 2019

#### Assets

##### **Investments**

Securities portfolio at market value	1,490,946,851.06
	<u>1,490,946,851.06</u>

##### **Cash and cash equivalents**

Cash at banks	128,321,685.58
	<u>128,321,685.58</u>

##### **Receivables**

Income receivable on portfolio	424,761.72
Other income receivable	424,509.76
Other receivables	238,164.01
	<u>1,087,435.49</u>

##### **Total assets**

1,620,355,972.13

#### Liabilities

##### **Payables**

Expenses payable	883,795.30
	<u>883,795.30</u>

##### **Borrowings**

Bank overdrafts	2,435.26
	<u>2,435.26</u>

##### **Total liabilities**

886,230.56

##### **Total net assets at the end of the year**

1,619,469,741.57

#### 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)	1,072,589.433	SEK	159.435	171,008,112.26
D (SEK)	4,950,209.526	SEK	292.606	1,448,461,629.31
				<u>1,619,469,741.57</u>

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

## Elite Fund - Star Choice

### Statement of operations (in SEK)

from 1st January 2019 to 31st December 2019

#### Income

##### Investment income

Dividends, net	13,896,892.54
Interest on bonds and other debt securities, net	2,408,502.17
Interest on bank accounts	301,511.90
	<u>16,606,906.61</u>

##### Realised gain on investments

- on securities portfolio	46,398,915.65
	<u>46,398,915.65</u>

##### Appreciation of unrealised results on investments

- on securities portfolio	206,477,336.64
	<u>206,477,336.64</u>

##### Other income

Other commissions received	1,628,822.76
	<u>1,628,822.76</u>

##### Total income

271,111,981.66

#### Expenses

##### Investment advisory or management fees

Management fees	7,867,906.74
	<u>7,867,906.74</u>

##### Other expenses

Transaction fees	53,387.67
Professional fees	81,333.38
Other administration costs	90,650.36
Subscription duty ("taxe d'abonnement")	678,495.34
Bank interest paid	618,736.93
	<u>1,522,603.68</u>

##### Realised loss on investments

- on securities portfolio	966,491.33
- on foreign exchange	732,075.00
	<u>1,698,566.33</u>

##### Depreciation of unrealised results on investments

- on securities portfolio	24,315,608.73
	<u>24,315,608.73</u>

##### Total expenses

35,404,685.48

##### Net income

235,707,296.18

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 2019 to 31st December 2019

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Net income	235,707,296.18
Dividends paid	-5,941,486.89
Subscriptions	999,999.84
Redemptions	-28,353,503.42
Total changes in net assets	<u>202,412,305.71</u>
Total net assets at the beginning of the year	<u>1,417,057,435.86</u>
<b>Total net assets at the end of the year</b>	<b><u><u>1,619,469,741.57</u></u></b>

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

## Elite Fund - Star Choice

### Statistical information (in SEK)

as at 31st December 2019

<b>Total net assets</b>	<b>Currency</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2019</b>
	SEK	1,491,860,393.26	1,417,057,435.86	1,619,469,741.57
<b>Net asset value per unit</b>	<b>Currency</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2019</b>
C (SEK)	SEK	143.967	136.779	159.435
D (SEK)	SEK	265.493	251.580	292.606
<b>Number of units</b>	<b>outstanding at the beginning of the year</b>	<b>issued</b>	<b>redeemed</b>	<b>outstanding at the end of the year</b>
C (SEK)	1,202,509.077	-	-129,919.644	1,072,589.433
D (SEK)	4,978,851.360	3,776.791	-32,418.625	4,950,209.526
<b>Dividends paid</b>	<b>Currency</b>	<b>Dividend per unit</b>		<b>Ex-dividend date</b>
D (SEK)	SEK	1.20		05.12.2019

## Elite Fund - Star Choice

### Statement of investments and other net assets (in SEK) as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
SEK	150,000	ABB Ltd Reg	29,342,563.00	33,765,000.00	2.08
SEK	97,000	Atlas Copco AB A Reg	12,948,927.33	36,239,200.00	2.24
SEK	125,000	Hennes & Mauritz AB B	27,800,901.01	23,810,000.00	1.47
SEK	210,000	Industrivaerden AB C	30,867,971.11	47,439,000.00	2.93
SEK	100,000	Investment AB Oeresund	13,153,658.53	13,540,000.00	0.84
SEK	130,000	Investor AB B	45,804,662.44	66,456,000.00	4.10
SEK	95,000	Kinnevik AB B Reg	18,843,980.72	21,755,000.00	1.34
SEK	120,000	Lundbergforetagen AB B	28,227,210.10	49,320,000.00	3.05
SEK	175,000	NCC AB B	29,157,564.66	26,810,000.00	1.66
SEK	340,000	Nordea Bank Abp Reg	30,058,238.53	25,717,600.00	1.59
SEK	350,000	Skandinaviska Enskilda Bk AB A	33,429,686.20	30,828,000.00	1.90
SEK	55,000	SKF AB B	10,064,844.90	10,417,000.00	0.64
SEK	235,000	Svenska Handelsbanken AB A	25,499,425.16	23,711,500.00	1.46
SEK	140,000	Swedbank AB A	26,461,603.00	19,523,000.00	1.21
SEK	170,000	Telefon AB LM Ericsson B	14,868,052.10	13,865,200.00	0.86
SEK	200,000	Volvo AB B	23,098,527.80	31,380,000.00	1.94
<b>Total shares</b>			<b>399,627,816.59</b>	<b>474,576,500.00</b>	<b>29.31</b>
<b>Basket certificates</b>					
SEK	200,000	Skandinaviska Enskilda Bk AB Certif Basket of Shs 22.11.22	20,185,572.00	22,104,000.00	1.36
<b>Total basket certificates</b>			<b>20,185,572.00</b>	<b>22,104,000.00</b>	<b>1.36</b>
<b>Bonds</b>					
SEK	10,000,000	AF Poyry AB FRN DMTN Sen 19/27.06.24	10,000,000.00	10,070,900.00	0.62
SEK	10,000,000	Bluestep Bank AB FRN DMTN 18/13.12.21	10,000,000.00	10,179,750.00	0.63
SEK	10,000,000	Coor Serv Mgt Holding AB FRN Sen 19/20.03.24	10,000,000.00	10,248,150.00	0.63
SEK	10,000,000	Epiroc AB FRN EMTN Sen 18/06.12.23	10,035,440.00	10,183,550.00	0.63
SEK	10,000,000	Getinge AB FRN MTN Ser 104 Sen 18/21.05.21	9,984,300.00	10,040,850.00	0.62
SEK	10,000,000	Intrum AB FRN Sen 19/03.07.23	10,200,000.00	10,256,100.00	0.63
SEK	10,000,000	Millicom Intl Cellular SA FRN EMTN Sen 19/15.05.24	10,050,500.00	10,149,300.00	0.63
SEK	10,000,000	NCC Treasury AB FRN DMTN Ser 122 Sen 19/30.09.24	10,000,000.00	10,021,400.00	0.62
SEK	10,000,000	Nivika Fastigheter AB FRN Sen 18/29.11.21	10,027,500.00	10,284,550.00	0.64
SEK	10,000,000	Nobina AB FRN Sen Reg S 19/13.02.24	10,028,320.00	10,208,100.00	0.63
SEK	14,000,000	Nordic Entertainment Gr AB FRN DMTN Sen 19/23.05.24	14,000,000.00	14,121,590.00	0.87
SEK	10,000,000	Nyfosa AB FRN DMTN Sen 19/22.05.22	10,000,000.00	10,179,500.00	0.63
SEK	10,000,000	Scania AB FRN EMTN Ser 87 Sen Reg S 19/15.04.21	10,000,000.00	10,036,900.00	0.62
SEK	11,000,000	Stora Enso Oyj FRN EMTN Sen Reg S 19/20.02.24	11,053,490.00	11,257,015.00	0.70
SEK	15,000,000	Telenor ASA FRN EMTN Sen Reg S 19/19.03.24	15,000,000.00	15,141,975.00	0.93
SEK	15,000,000	Volvo Treasury AB FRN EMTN Sen 19/06.04.23	15,000,000.00	15,097,050.00	0.93
<b>Total bonds</b>			<b>175,379,550.00</b>	<b>177,476,680.00</b>	<b>10.96</b>
<b><u>Transferable securities dealt in on another regulated market</u></b>					
<b>Bonds</b>					
SEK	14,000,000	Volvo Car AB FRN EMTN Sen Reg S 19/27.02.23	14,000,000.00	14,282,870.00	0.88
<b>Total bonds</b>			<b>14,000,000.00</b>	<b>14,282,870.00</b>	<b>0.88</b>
<b><u>Open-ended investment funds</u></b>					
<b>Investment funds (UCITS)</b>					
EUR	17,020	CB European Quality Fd European Equity I EUR Cap	16,195,743.39	31,979,049.44	1.97
EUR	385,714.2	Montanaro Smaller Co Plc European Fd Cap	12,447,396.21	27,539,366.11	1.70
			<b>28,643,139.60</b>	<b>59,518,415.55</b>	<b>3.67</b>
SEK	1,073,610.430551	AMF Rantefond Kort Dist	119,859,246.98	119,374,743.77	7.37
SEK	1,250,752.936	Carnegie Spin-Off Units A SEK Dist	26,221,441.28	39,429,861.23	2.43
SEK	956,763.766926	Lannebo Likviditetsfond Units Cap	110,000,000.00	110,783,676.57	6.84
SEK	8,455.7794	Nordic Equities Global Stars Dist	10,000,000.05	10,390,783.05	0.64
SEK	13,128.9069	Nordic Equities Strateg Units Dist	16,350,886.78	26,675,307.79	1.65

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 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
SEK	171,998.8374	Nordic Equities Sweden Units	19,224,927.63	41,587,237.70	2.57
SEK	1,094,334.1131	SEB Kortantefond SEK P Cap	110,000,801.60	109,304,170.45	6.75
			411,657,304.32	457,545,780.56	28.25
USD	191,916.352	Eastspring Investments China Equity Fd A USD Cap	17,757,015.64	29,535,155.13	1.82
USD	52,180.675	Goldman Sachs Fds Scv India Equity Ptf Base USD Cap	9,949,547.04	10,232,759.50	0.63
USD	325,213.828	Hermes Inv Fds Plc Gl Emerging Mks F USD Cap	9,713,600.04	10,006,471.57	0.62
USD	20,000	Lyxor SEB Umbrella PLC Impact Fund F USD Cap	19,598,495.60	20,680,227.53	1.28
USD	28,616.619	William Blair Scv Emerging Mks Leaders Fd I USD Cap	20,643,671.46	35,202,931.61	2.17
			77,662,329.78	105,657,545.34	6.52
<b>Total investment funds (UCITS)</b>			517,962,773.70	622,721,741.45	38.44
<b>Investment funds (UCI)</b>					
SEK	200	Partners Gr P Mks CS ELTIF SCA Credit Strategie 2017 R Dist	19,098,550.15	20,073,560.00	1.24
SEK	122,922.619	Rhenman & Partners Fd Healthcare Equity L/S RC2 SEK Cap	16,355,389.47	79,444,888.66	4.91
SEK	200,000	SEB Cred Opportunity IV IC Cap 15.01.21	20,000,000.00	22,287,800.00	1.38
SEK	200,000	SEB NanoCap C SEK Cap	20,000,000.00	26,699,900.00	1.65
SEK	9,897.7631	Strand Smabolagsfond Units Dist	14,015,000.05	31,278,910.95	1.93
<b>Total investment funds (UCI)</b>			89,468,939.67	179,785,059.61	11.11
Total investments in securities			1,216,624,651.96	1,490,946,851.06	92.06
Cash at banks				128,321,685.58	7.92
Bank overdrafts				-2,435.26	0.00
Other net assets/(liabilities)				203,640.19	0.02
<b>Total</b>				<b>1,619,469,741.57</b>	<b>100.00</b>

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 2019

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#### Industrial classification

(in percentage of net assets)

Investment funds	49.55 %
Financials	22.59 %
Industrials	11.07 %
Cyclical consumer goods	3.84 %
Telecommunications services	1.56 %
Real estate	1.27 %
Technologies	0.86 %
Raw materials	0.70 %
Healthcare	0.62 %
Total	<u>92.06 %</u>

#### Geographical classification

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

Sweden	68.41 %
Luxembourg	14.75 %
Ireland	3.60 %
Finland	2.29 %
Switzerland	2.08 %
Norway	0.93 %
Total	<u>92.06 %</u>

## Elite Fund

### Notes to the financial statements

as at 31st December 2019

#### 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 30th December 2019. An unofficial Net Asset Value dated 31st December 2019 has been calculated for reporting purposes and is disclosed in these financial statements.

The financial statements of the Fund have been prepared on a going concern basis.

##### 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 and other changes in net assets.

##### 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 2019

#### 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	=	0.0956627	EUR	Euro
			0.1073336	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 item "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Fund and of fees relating to transactions paid to the depositary as well as of transaction fees on financial instruments and derivatives.

### **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 - 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.

## **Elite Fund**

### **Notes to the financial statements (continued)**

as at 31st December 2019

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#### **Note 5 - Subsequent events**

In accordance with the Luxembourg law of 12th July 2013 on alternative investment fund managers, no delegation of portfolio management can be conferred on the depositary of a fund. Following the organisational changes to be undergone by Skandinaviska Enskilda Banken S.A., the current Depositary, it will become a branch of its mother company, Skandinaviska Enskilda Banken AB (publ.) that is appointed as portfolio manager of the Fund. Consequently, the current Depositary will not be able to continue to act as a depositary of the Fund. Therefore, the Board of Directors has decided to appoint Société Générale Luxembourg as the new Depositary of the Fund with effect from 27th January 2020.

Due to increased regulatory requirements imposed on the Depositary and the Management Company the management fee will increase from max 0.70% per annum to max 0.80% per annum. This fee includes the fees payable to the Administrative Agent, the Registrar and Transfer Agent, to the Depositary as well as to the Portfolio Manager. The aforementioned changes will take effect on 27th January 2020.

Since the end of the reporting period we have seen the development of the coronavirus covid-19 outbreak across the world. At present it is not possible to assess the detailed impact of the emerging risk, on the investments of the Company but there is growing concern about the impact on the world economy. There has been a significant correction in the financial markets in the wake of the outbreak. However, the Board and the Management Company are of the opinion that these events do not impact the financial statements as of 31st December 2019, nor do they present any issues with regards to the going concerns of the Company.

## Elite Fund

### Additional information (unaudited)

as at 31st December 2019

## 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 2019
Elite Fund - Star Choice	110% Gross (110% Commitment)	98.05%	99.98%	101.08%	101.08%
		Commitment Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2019
		83.35%	89.12%	93.92%	93.87%

## 2 - Remuneration disclosure

### 2.1. Remuneration of the Management Company

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 2019

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 for the financial year ending 31st December 2019 paid by FundRock to its staff:  
EUR 10,152,416

Fixed remuneration: EUR 9,700,097

Variable remuneration: EUR 452,319

Number of beneficiaries: 119

The aggregated amount of remuneration for the financial year ending 31st December 2019 paid by FundRock to Identified staff/risk takers is as follows:

Identified staff/risk takers: EUR 1,196,213

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.

#### 2.2. Remuneration of the Investment Manager

The remuneration to SEB Investment Manager AB for the period from 1st January 2019 until 31st December 2019:

Number of employees: 14,939 employees per 31st December 2019

Total compensation to staff: MSEK 11,567

Of which compensation to management: SEK 25.8

### **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.