

Annual report including audited financial statements as at 31st December 2016

IKC FUND

Investment Fund (F.C.P.), Luxembourg

R.C.S. Luxembourg K20



Management Company: SEB Fund Services S.A.
R.C.S. Luxembourg B 44 726

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.

IKC FUND

Contents

Organisation	2
General information	4
Report of the Investment Manager	5
Audit Report	7
Combined statement of net assets	9
Combined statement of operations and other changes in net assets	10
IKC FUND - IKC WORLD WIDE OPPORTUNITIES	11
Statement of net assets	11
Statement of operations and other changes in net assets	12
Statistical information	13
Statement of investments and other net assets	14
Industrial and geographical classification of investments	16
IKC FUND - Lux 0 - 50	17
Statement of net assets	17
Statement of operations and other changes in net assets	18
Statistical information	19
Statement of investments and other net assets	20
Industrial and geographical classification of investments	21
IKC FUND - Lux 0 - 100	22
Statement of net assets	22
Statement of operations and other changes in net assets	23
Statistical information	24
Statement of investments and other net assets	25
Industrial and geographical classification of investments	27
Notes to the financial statements	28
Additional Information (unaudited)	35

IKC FUND

Organisation

Management Company

SEB Fund Services S.A.
4, rue Peternelchen
L-2370 Howald

Board of Directors of the Management Company

Chairman
Gustaf UNGER
Head of Investor Services, Transaction Banking
Skandinaviska Enskilda Banken AB (publ), Sweden

Directors
Göran FORS
Head of Sales and Market Development
Asset Servicing
Skandinaviska Enskilda Banken AB (publ), Sweden

Marie JUHLIN
Managing Director
SEB Fund Services S.A., Luxembourg
(since 29th March 2016)

Jonas LINDGREN
Client Executive, Hedge Fund Coverage
Skandinaviska Enskilda Banken AB (publ), Sweden

Erika LUNDQUIST
Managing Director
Skandinaviska Enskilda Banken S.A., Luxembourg
(until 31st October 2016)

Magnus WALLBERG
Deputy Managing Director, CFO/ COO
Skandinaviska Enskilda Banken S.A., Luxembourg
(until 29th March 2016)

Depositary

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

Central Administration Agent

SEB Fund Services S.A.
4, rue Peternelchen
L-2370 Howald

Administration Agent, Registrar and Transfer Agent

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

IKC FUND

Organisation (continued)

**Investment Manager, Placement
and Distribution Agent**

IKC Fonder AB
Rundelsgatan 14
SE-203 12 Malmö

Auditor

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

Paying Agents

In Sweden

Skandinaviska Enskilda Banken AB (publ)
Rissneleden 110
SE-106 40 Stockholm

In Luxembourg

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

IKC FUND

General information

IKC FUND (the "Fund") is an umbrella contractual common investment fund ("*Fonds Commun de Placement*") governed by Part I of the amended Luxembourg law of 17th December 2010 relating to Undertakings for Collective Investment. The Fund is set up in accordance with management regulations signed in Luxembourg with effect as of 12th June 2012 (the "Management Regulations"). The Directive 2014/ 91/ EU of the European Parliament and of the Council of 23rd July 2014 amending the Directive 2009/ 65/ EC had been transposed by the law of 10th May 2016 coming into force on 1st June 2016 and amending the amended law of 17th December 2010.

The Fund is registered with the Luxembourg Register of Commerce ("RCS") under the number K20. The Management Regulations have been deposited with the RCS. A notice of the deposit of the Management Regulations was published on 12th June 2012 in the "*Mémorial, Recueil des Sociétés et Associations*" (the "*Mémorial C*"). Publications made after 1st June 2016 are available on the new platform called "*Recueil électronique des sociétés et associations* ("RESA")" accessible through the website of the RCS.

The main objective of each Sub-Fund is to invest in transferable securities and other eligible assets with the purpose of spreading investment risks and achieving long-term capital growth.

At the date of the financial statements, the following Sub-Funds are offered to investors:

IKC FUND - IKC WORLD WIDE OPPORTUNITIES	in SEK
IKC FUND - Lux 0 - 50	in SEK
IKC FUND - Lux 0 - 100	in SEK.

At the date of the financial statements, Class of Units IB SEK and IC SEK are available for subscription and are reserved to Institutional Investors.

The Net Asset Value of each Class of Units is calculated for as of each day on which banks are normally open for business in Luxembourg, except for 24th December in each year.

The Net Asset Value per Unit of each Class, as well as the Subscription Price and Redemption Price, may be obtained from the registered office of the Management Company and any newspaper the Management Company may determine from time to time.

The Fund's reporting period begins on 1st January and ends on 31st December of each year.

The audited annual reports and unaudited semi-annual reports comprise combined financial statements of the Fund expressed in SEK, being the reference currency of the Fund, and financial information on each Sub-Fund expressed in the reference currency of each Sub-Fund.

Copies of the Management Agreements, of the current prospectus, of the current KIID, of the latest reports of the Fund and all information concerning the Fund can be obtained free of charge at the office of the Management Company and the Placement and Distribution Agent.

A year of politics

2016 has been, above all, a year of political upheaval. Events such as the UK's decision to leave the EU (Brexit), the election of Donald Trump as US president, and Italy's rejection of constitutional reform all illustrate general dissatisfaction with the political environment.

Before the results of these three electoral events were available, the market consensus was that the respective election results would lead to a correction in the equity markets. The primary arguments were as follows: Brexit would have a negative impact on the already fragile EU growth rates by increasing uncertainty regarding the future of Europe; the election of Trump would decrease global growth by increasing uncertainty regarding future US policy and Trump's election promise to renegotiate existing trade agreements, and, finally, the Italian referendum would rekindle the euro crisis of 2011-2013 by spotlighting the fundamental political weakness of Europe. Despite the forecasts and discussions, the financial markets and the global economy proved to be highly resilient. The latter displayed such resiliency that growth forecasts for 2017 were revised higher following the US election and predictions about a restart of the business cycle emerged.

However, 2016 turned out to be a year where US equities closed at all-time high levels, nominal rates ended up at higher levels than at the beginning of the year, and the US Federal Reserve (the Fed) made an upwards revision, for the first time ever, of their official estimates for the next year's policy rates. Keep in mind that 2012 was the first time the Fed published these estimates. In general, 2016 was much more positive than expected. This is particularly true for market participants who from the beginning of the year believed in the likelihood of Brexit, Trump, and Italy's no to reform.

In the following paragraphs we present our view of global growth and monetary policy. We discuss the implications of a Trump presidency, and, finally, we present our outlook for the financial markets in 2017.

Global growth

The most notable development in terms of growth in 2016 was the uptick that materialised in Q4. This uptick was a stark contrast to the first three quarters of the year where growth had failed to gain momentum and the global economy appeared to be increasingly fragile. This upswing was so strong and broad-based in terms of geography and sectors, that growth forecasts for 2017 were revised higher. This has led the market to believe the business cycle will continue in a similar manner, keeping the next recession a few years away.

It is not easy to pinpoint the exact cause of the sudden revival of the global economy. It started to materialise in the months following Brexit and prior to the US election. One could even argue that the US election results have acted as a growth factor in terms of planned fiscal stimulus. Regardless of the exact cause of the global revival, the growth pattern followed that of a normal recovery: first we saw strength in the sentiment indicators for manufacturing companies; then this spread to non-manufacturing sectors. Finally, growth was also apparent in real production and consumption numbers. At the end of Q4 the US economy appeared to be growing by more than 2.5% (Atlanta Federal Reserve estimate); a figure last surpassed in 2014.

Although many of the positive surprises in terms of growth appeared in the US, it is important to note that the recovery was generally broad based across the globe. As such, we saw stronger data from both Europe and emerging markets. It is especially worth noting that emerging markets in Asia gained speed thanks to the global trade recovery which, for years, indicated a moderating trend. The fact that the recovery was so broad-based increased market confidence to the degree that the recovery would prove to be more stable than all the mini-recoveries since 2009.

IKC FUND

Report on activities of the Investment Manager (continued)

Monetary policy

In contrast to the past five or six years, monetary policy declined in importance for the financial markets relative to the macro outlook. In other words, the financial markets were driven by expectations of growth to a higher extent than by future central bank action.

Despite this, we did see a range of notable developments in central bank policies over the year: The Fed hiked rates in December 2016 and forecasted a more aggressive rate-hike cycle than previously communicated.

The ECB surprised the markets by describing how their quantitative easing program would cut back on monthly purchases. Whether this acted positively or negatively on the markets can be debated, but it is clear that the Fed's intention for a steeper rate-hike cycle would have had a distinctly negative effect on financial markets just 6-12 months ago. However, because the Fed's message focused on stronger growth, not just higher inflation, the market ignored the information regarding steeper rate hikes. This more than any other factor signaled the shift in focus for the markets from monetary policy to growth expectations.

Going forward, we note that the current rate hike cycle in the US is unlike anything that we have seen in the past. This in itself makes it more difficult to draw any firm conclusions about the possible impact of higher US rates on the financial markets. With that said, it is important to note that the fiscal stimulus that is expected from the Trump presidency comes at a time when the US labour market already looks tight. This increases the risk for increasing inflationary pressures in the US and the possibility of the Fed reacting by being even more aggressive than originally communicated. We believe this is one of the main risks for 2017.

Trump

In our view, the positive market reaction to the US election results was a reaction to strong growth in the US economy rather than the prospect of a Trump presidency. Although fiscal stimulus looks set to increase US growth in the coming one to two years, it is important to note that the plans did not differ materially from Hillary Clinton's proposal. The difference is more in the composition of the stimulus than anything else.

We believe growth will be Trump's overriding focus. Consequently, growth reduction schemes, such as aggressive trade wars with China, will most likely be diluted in the coming quarters.

Luxembourg, 23rd February 2017

The Investment Manager

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



Audit Report

To the Unitholders of
IKC FUND

We have audited the accompanying financial statements of IKC FUND and of each of its sub-funds, which comprise the statement of net assets and the statement of investments and other net assets as at 31st December 2016 and the statement of operations and other changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

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

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

Responsibility of the "Réviseur d'entreprises agréé"

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Management Company, as well as evaluating the overall presentation of the financial statements.

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



Audit Report (continued)

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of IKC FUND and of each of its sub-funds as of 31st December 2016, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other information

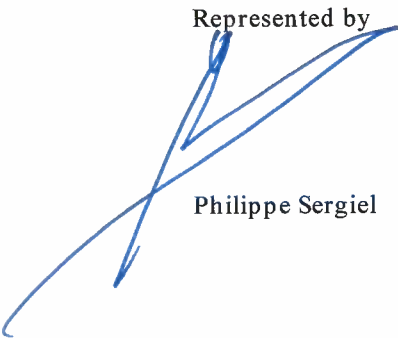
The Board of Directors of the Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our audit report thereon.

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 5th April 2017



Philippe Sergiel

IKC FUND

Combined statement of net assets (in SEK)

as at 31st December 2016

Assets

Securities portfolio at market value	1,301,092,798.04
Deposits on futures contracts	2,850,279.30
Cash at banks	135,342,552.11
Other liquid assets	25,326,418.80
Formation expenses, net	98,790.61
Receivable on issues of units	1,543,522.90
Income receivable on portfolio	572,754.02
Other receivables	680,259.99
	<hr/>
Total assets	1,467,507,375.77
	<hr/>

Liabilities

Other liquid liabilities	3,277,821.20
Payable on redemptions of units	3,692,901.43
Unrealised loss on futures contracts	426,041.75
Expenses payable	3,424,433.10
	<hr/>
Total liabilities	10,821,197.48
	<hr/>
Net assets at the end of the year	1,456,686,178.29
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The accompanying notes are an integral part of these financial statements.

IKC FUND

Combined statement of operations and other changes in net assets (in SEK)

from 1st January 2016 to 31st December 2016

Income

Dividends, net	11,180,675.99
Interest on bonds and other debt securities, net	179,597.22
Interest on bank accounts	7,255.07
Other commissions received	5,438,771.37
Other income	1,315,688.38
Total income	18,121,988.03

Expenses

Management fees	41,806,763.04
Depository fees	473,322.33
Banking charges and other fees	15,955.92
Transaction fees	14,008,659.08
Central administration costs	1,634,817.70
Professional fees	432,901.96
Other administration costs	610,749.40
Subscription duty ("taxe d'abonnement")	155,665.69
Other taxes	122,907.99
Bank interest paid	833,889.42
Other expenses	134,260.87
Total expenses	60,229,893.40

Net investment loss -42,107,905.37

Net realised gain/(loss)

- on securities portfolio	75,475,602.01
- on futures contracts	-59,477,540.38
- on forward foreign exchange contracts	-21,843.80
- on foreign exchange	-12,495,879.69

Realised result -38,627,567.23

Net variation of the unrealised gain/(loss)

- on securities portfolio	-85,563,333.73
- on futures contracts	-426,041.75

Result of operations -124,616,942.71

Subscriptions 95,907,108.91

Redemptions -425,150,648.68

Total changes in net assets -453,860,482.48

Total net assets at the beginning of the year 1,910,546,660.77

Total net assets at the end of the year 1,456,686,178.29

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

IKC FUND - IKC WORLD WIDE OPPORTUNITIES

Statement of net assets (in SEK)

as at 31st December 2016

Assets

Securities portfolio at market value	34,624,889.82
Deposits on futures contracts	172,744.20
Cash at banks	6,822,274.43
Other liquid assets	1,359,048.26
Formation expenses, net	1,752.63
Receivable on issues of units	96,586.40
Income receivable on portfolio	73,242.68
Other receivables	86,709.71
Total assets	43,237,248.13

Liabilities

Other liquid liabilities	198,655.83
Payable on redemptions of units	28,466.56
Unrealised loss on futures contracts	25,820.71
Expenses payable	162,077.46
Total liabilities	415,020.56

Net assets at the end of the year 42,822,227.57

Number of Class IC SEK Units outstanding	402,357.151
Net asset value per Class IC SEK Unit	106.43

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

IKC FUND - IKC WORLD WIDE OPPORTUNITIES

Statement of operations and other changes in net assets (in SEK)

from 1st January 2016 to 31st December 2016

Income

Dividends, net	459,718.40
Interest on bank accounts	4,187.73
Other commissions received	93,757.21
Other income	668,878.39
Total income	<u>1,226,541.73</u>

Expenses

Management fees	1,465,611.80
Depository fees	15,521.24
Banking charges and other fees	6,273.68
Transaction fees	583,433.25
Central administration costs	374,074.32
Professional fees	12,461.39
Other administration costs	176,366.93
Subscription duty ("taxe d'abonnement")	4,740.95
Other taxes	122,907.99
Bank interest paid	38,445.74
Other expenses	2,420.27
Total expenses	<u>2,802,257.56</u>

Net investment loss -1,575,715.83

Net realised gain/(loss)

- on securities portfolio	3,146,951.27
- on futures contracts	-2,551,021.98
- on foreign exchange	-503,936.95
Realised result	<u>-1,483,723.49</u>

Net variation of the unrealised gain/(loss)

- on securities portfolio	-3,395,576.13
- on futures contracts	-25,820.71
Result of operations	<u>-4,905,120.33</u>

Subscriptions 4,838,012.77

Redemptions -10,968,097.47

Total changes in net assets -11,035,205.03

Total net assets at the beginning of the year 53,857,432.60

Total net assets at the end of the year 42,822,227.57

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

IKC FUND - IKC WORLD WIDE OPPORTUNITIES

Statistical information (in SEK)

as at 31st December 2016

Total net assets

- as at 31.12.2016	42,822,227.57
- as at 31.12.2015	53,857,432.60
- as at 31.12.2014	66,697,389.62

Number of Class IC SEK Units

- outstanding at the beginning of the year	455,925.359
- issued	42,645.952
- redeemed	-96,214.160
<hr/>	<hr/>
- outstanding at the end of the year	402,357.151

Net asset value per Class IC SEK Unit

- as at 31.12.2016	106.43
- as at 31.12.2015	118.13
- as at 31.12.2014	120.70

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

IKC FUND - IKC WORLD WIDE OPPORTUNITIES

Statement of investments and other net assets (in SEK) as at 31st December 2016

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					
EUR	86	Hermes Intl SA	227,554.53	321,588.64	0.75
HKD	82,000	Pacific Textiles Holdings Ltd	875,014.56	809,650.58	1.89
HKD	11,500	Tencent Holdings Ltd	2,527,912.55	2,558,213.92	5.97
			3,402,927.11	3,367,864.50	7.86
IDR	500,000	PT Mitra Keluarga Karyaseh Tbk Reg S	900,091.02	867,167.99	2.03
PHP	1,073,800	Bloomberry Resorts Corp	1,320,062.20	1,211,286.82	2.83
SEK	3,500	Skanska AB B	755,300.00	752,850.00	1.76
THB	19,850	Airports of Thailand PCL Nv DR	1,659,347.85	2,007,208.29	4.69
THB	120,000	Bangkok Dusit Medical Serv PCL Uts NV DR	581,092.58	704,274.70	1.64
THB	565,000	Beauty Community Public Co Ltd	1,740,747.23	1,679,512.22	3.92
THB	65,900	CH Karnchang PCL Units Non Voting DR	468,341.06	519,034.19	1.21
THB	35,262	Interlink Telecom PCL Units Non Voting DR	45,384.84	102,131.72	0.24
THB	177,800	Sino-Thai Engineer & Const PCL Units Non-Voting DR	1,049,746.05	1,253,555.61	2.93
			5,544,659.61	6,265,716.73	14.63
USD	480	Alibaba Group Holding Ltd ADR repr 1 Share	443,423.89	383,208.46	0.90
USD	8,100	Ambev SA spons ADS repr 1 Share	448,269.68	361,589.98	0.84
USD	5,000	Banco Bradesco SA spons ADR repr 1 Pref Share	458,965.57	395,947.89	0.92
USD	945	HDFC Bank Ltd ADR repr 3 Shares	611,251.72	521,347.45	1.22
USD	7,000	ICICI Bank Ltd ADR repr 2 Shares	543,297.43	476,683.07	1.11
USD	4,350	Itau Unibanco Hg SA spons ADR Repr 1 Share	446,753.10	406,567.11	0.95
USD	2,000	Taiwan Semiconduct Mfg Co Ltd ADR repr 5 Shares	558,894.35	522,778.50	1.22
			3,510,855.74	3,068,122.46	7.16
Total shares			15,661,450.21	15,854,597.14	37.02
Closed-ended investment funds					
THB	185,000	CPN Retail Gh Lease Proper Fd Units Dist	937,493.40	916,547.97	2.14
Total closed-ended investment funds			937,493.40	916,547.97	2.14
<u>Other transferable securities</u>					
Shares					
SEK	103,620	BIMobject AB Reg	1,117,497.86	1,657,920.00	3.87
Total shares			1,117,497.86	1,657,920.00	3.87

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

IKC FUND - IKC WORLD WIDE OPPORTUNITIES

Statement of investments and other net assets (in SEK) (continued) as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
SEK	74,832.8352	IKC Asien B Cap	7,501,814.09	7,200,415.40	16.82
SEK	28,951.4159	IKC Avkastningsfond Units Cap	3,200,000.00	3,224,319.19	7.53
SEK	14,565.3788	IKC Filippinerna Units C Cap	1,501,039.25	1,540,871.42	3.60
			<u>12,202,853.34</u>	<u>11,965,606.01</u>	<u>27.95</u>
USD	3,654.689	UBS (Lux) Bond Fd Full Cycle Asian (USD) IA1 Cap	4,195,793.14	4,230,218.70	9.88
			<u>16,398,646.48</u>	<u>16,195,824.71</u>	<u>37.83</u>
Total investment funds (UCITS)			<u>16,398,646.48</u>	<u>16,195,824.71</u>	<u>37.83</u>
Total investments in securities			<u>34,115,087.95</u>	<u>34,624,889.82</u>	<u>80.86</u>
Cash at banks				6,822,274.43	15.93
Other net assets/ (liabilities)				1,375,063.32	3.21
Total				<u><u>42,822,227.57</u></u>	<u><u>100.00</u></u>

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

IKC FUND - IKC WORLD WIDE OPPORTUNITIES

Industrial and geographical classification of investments

as at 31st December 2016

Industrial classification

(in percentage of net assets)

Investment funds	37.83 %
Software and services	10.74 %
Capital goods	8.73 %
Transportation	4.69 %
Banks	4.20 %
Household and personal products	3.92 %
Health care equipment and services	3.67 %
Consumer durables and apparel	2.64 %
Real estate funds	2.14 %
Semiconductors and semiconductor equipment	1.22 %
Food, beverage and tobacco	0.84 %
Telecommunication services	0.24 %
Total	<u>80.86 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Sweden	33.58 %
Thailand	16.77 %
Luxembourg	9.88 %
Cayman Islands	8.76 %
Philippines	2.83 %
Brazil	2.71 %
India	2.33 %
Indonesia	2.03 %
Taiwan	1.22 %
France	0.75 %
Total	<u>80.86 %</u>

IKC FUND - Lux 0 - 50

Statement of net assets (in SEK)

as at 31st December 2016

Assets

Securities portfolio at market value	56,822,379.50
Cash at banks	1,040,790.54
Other liquid assets	478,455.24
Formation expenses, net	2,002.11
Receivable on issues of units	22,830.84
Other receivables	55,484.64
Total assets	58,421,942.87

Liabilities

Payable on redemptions of units	12,264.18
Expenses payable	170,027.51
Total liabilities	182,291.69

Net assets at the end of the year	58,239,651.18
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Number of Class IC SEK Units outstanding	521,181.013
Net asset value per Class IC SEK Unit	111.75

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

IKC FUND - Lux 0 - 50

Statement of operations and other changes in net assets (in SEK)

from 1st January 2016 to 31st December 2016

Income

Dividends, net	167,613.64
Interest on bank accounts	27.72
Other commissions received	140,203.66
Other income	646,809.99
Total income	<u>954,655.01</u>

Expenses

Management fees	1,429,355.34
Depository fees	14,484.80
Banking charges and other fees	4,419.33
Transaction fees	6,091.60
Central administration costs	378,252.41
Professional fees	15,077.11
Other administration costs	176,581.03
Subscription duty ("taxe d'abonnement")	5,282.50
Bank interest paid	16,736.59
Other expenses	2,702.83
Total expenses	<u>2,048,983.54</u>

Net investment loss	-1,094,328.53
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Net realised gain/(loss)

- on securities portfolio	1,573,222.88
- on futures contracts	-885,001.07
- on foreign exchange	3,193.44

Realised result	-402,913.28
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Net variation of the unrealised gain/(loss)

- on securities portfolio	<u>1,585,142.37</u>
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Result of operations	<u>1,182,229.09</u>
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Subscriptions	23,033,008.29
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Redemptions	-20,416,284.04
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Total changes in net assets	<u>3,798,953.34</u>
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Total net assets at the beginning of the year	<u>54,440,697.84</u>
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Total net assets at the end of the year	<u><u>58,239,651.18</u></u>
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The accompanying notes are an integral part of these financial statements.

IKC FUND - Lux 0 - 50

Statistical information (in SEK)

as at 31st December 2016

Total net assets

- as at 31.12.2016	58,239,651.18
- as at 31.12.2015	54,440,697.84
- as at 31.12.2014	36,751,017.09

Number of Class IC SEK Units

- outstanding at the beginning of the year	495,078.800
- issued	210,024.779
- redeemed	-183,922.566
<hr/>	<hr/>
- outstanding at the end of the year	521,181.013

Net asset value per Class IC SEK Unit

- as at 31.12.2016	111.75
- as at 31.12.2015	109.96
- as at 31.12.2014	106.41

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

IKC FUND - Lux 0 - 50

Statement of investments and other net assets (in SEK)

as at 31st December 2016

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					
EUR	1,400	ADO Properties SA	484,011.39	429,686.15	0.74
EUR	818	Danone	438,024.26	472,158.09	0.81
EUR	125	LVMH Moët Hennessy L Vuit SE	145,815.46	217,412.71	0.37
EUR	1,000	Vinci SA	481,889.97	620,357.33	1.07
			<u>1,549,741.08</u>	<u>1,739,614.28</u>	<u>2.99</u>
SEK	4,200	Axfood AB	664,496.70	601,440.00	1.03
SEK	4,930	Besqab AB	959,190.53	981,070.00	1.68
SEK	2,264	Fastighets Balder AB Pref	775,260.11	731,951.20	1.26
SEK	14,490	Heba Fastighets AB B	1,684,690.43	1,648,237.50	2.83
SEK	5,000	Hufvudstaden AB A	572,957.20	719,500.00	1.24
SEK	2,000	ICA Gruppen AB	577,900.00	555,800.00	0.95
SEK	65,000	Victoria Park AB A	883,151.75	1,449,500.00	2.49
			<u>6,117,646.72</u>	<u>6,687,498.70</u>	<u>11.48</u>
Total shares			<u>7,667,387.80</u>	<u>8,427,112.98</u>	<u>14.47</u>
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
SEK	16,947.4889	IKC Asien B Cap	1,850,879.47	1,630,687.38	2.80
SEK	43,352.6652	IKC Avkastningsfond Units Cap	4,501,797.32	4,828,186.32	8.29
SEK	12,651.4905	IKC Fastighetsfond Units B Cap	1,349,999.99	1,592,316.59	2.73
SEK	16,218.1681	IKC Filippinerna Units C Cap	1,850,878.23	1,715,720.00	2.95
SEK	10,000	IKC GI Infrastructure B Cap	1,000,000.00	1,060,400.00	1.82
SEK	28,009.5448001	IKC Global Brand Units B Cap	3,900,862.14	5,511,998.32	9.46
SEK	6,000	IKC Global Healthcare B Cap	600,000.00	603,420.00	1.04
SEK	25,472.5271	IKC Sverige Flexibel Units Dist	3,300,845.86	4,574,356.42	7.85
SEK	713,784.5124	SEB Fonder AB Likviditetsfond Cap	7,300,000.00	7,264,399.12	12.47
SEK	19,995	Simplicity Fore A	2,079,886.28	2,396,400.75	4.12
SEK	74,929.9439	SPP Foretags A Cap	8,005,170.77	8,115,572.31	13.94
SEK	8,427.6244	SPP Penningmarknadsfond	1,000,000.00	999,469.90	1.72
			<u>36,740,320.06</u>	<u>40,292,927.11</u>	<u>69.19</u>
USD	7,000	UBS (Lux) Bond Fd Full Cycle Asian (USD) IA1 Cap	5,654,701.77	8,102,339.41	13.91
Total investment funds (UCITS)			<u>42,395,021.83</u>	<u>48,395,266.52</u>	<u>83.10</u>
Total investments in securities			<u>50,062,409.63</u>	<u>56,822,379.50</u>	<u>97.57</u>
Cash at banks				1,040,790.54	1.79
Other net assets/ (liabilities)				376,481.14	0.64
Total				<u><u>58,239,651.18</u></u>	<u><u>100.00</u></u>

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

IKC FUND - Lux 0 - 50

Industrial and geographical classification of investments as at 31st December 2016

Industrial classification

(in percentage of net assets)

Investment funds	83.10 %
Real estate	8.56 %
Consumer durables and apparel	2.05 %
Food retailing, drugstores and pharmacies	1.98 %
Capital goods	1.07 %
Food, beverage and tobacco	0.81 %
Total	<u>97.57 %</u>

Geographical classification

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

Sweden	80.67 %
Luxembourg	14.65 %
France	2.25 %
Total	<u>97.57 %</u>

IKC FUND - Lux 0 - 100

Statement of net assets (in SEK)

as at 31st December 2016

Assets

Securities portfolio at market value	1,209,645,528.72
Deposits on futures contracts	2,677,535.10
Cash at banks	127,479,487.14
Other liquid assets	23,488,915.30
Formation expenses, net	95,035.87
Receivable on issues of units	1,424,105.66
Income receivable on portfolio	499,511.34
Other receivables	538,065.64
	<hr/>
Total assets	1,365,848,184.77
	<hr/>

Liabilities

Other liquid liabilities	3,079,165.37
Payable on redemptions of units	3,652,170.69
Unrealised loss on futures contracts	400,221.04
Expenses payable	3,092,328.13
	<hr/>
Total liabilities	10,223,885.23
	<hr/>

Net assets at the end of the year	1,355,624,299.54
	<hr/> <hr/>

Number of Class IB SEK Units outstanding	781.250
Net asset value per Class IB SEK Unit	113.45
Number of Class IC SEK Units outstanding	12,166,311.518
Net asset value per Class IC SEK Unit	111.42

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

IKC FUND - Lux 0 - 100

Statement of operations and other changes in net assets (in SEK)

from 1st January 2016 to 31st December 2016

Income

Dividends, net	10,553,343.95
Interest on bonds and other debt securities, net	179,597.22
Interest on bank accounts	3,039.62
Other commissions received	5,204,810.50
Total income	15,940,791.29

Expenses

Management fees	38,911,795.90
Depositary fees	443,316.29
Banking charges and other fees	5,262.91
Transaction fees	13,419,134.23
Central administration costs	882,490.97
Professional fees	405,363.46
Other administration costs	257,801.44
Subscription duty ("taxe d'abonnement")	145,642.24
Bank interest paid	778,707.09
Other expenses	129,137.77
Total expenses	55,378,652.30

Net investment loss	-39,437,861.01
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Net realised gain/(loss)

- on securities portfolio	70,755,427.86
- on futures contracts	-56,041,517.33
- on forward foreign exchange contracts	-21,843.80
- on foreign exchange	-11,995,136.18
Realised result	-36,740,930.46

Net variation of the unrealised gain/(loss)

- on securities portfolio	-83,752,899.97
- on futures contracts	-400,221.04
Result of operations	-120,894,051.47

Subscriptions	68,036,087.85
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Redemptions	-393,766,267.17
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Total changes in net assets	-446,624,230.79
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Total net assets at the beginning of the year	1,802,248,530.33
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Total net assets at the end of the year	1,355,624,299.54
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The accompanying notes are an integral part of these financial statements.

IKC FUND - Lux 0 - 100

Statistical information (in SEK)

as at 31st December 2016

Total net assets	
- as at 31.12.2016	1,355,624,299.54
- as at 31.12.2015	1,802,248,530.33
- as at 31.12.2014	1,854,138,196.47
Number of Class IB SEK Units	
- outstanding at the beginning of the year	781.250
- issued	0.000
- redeemed	0.000
- outstanding at the end of the year	781.250
Net asset value per Class IB SEK Unit	
- as at 31.12.2016	113.45
- as at 31.12.2015	121.29
- as at 31.12.2014	-
Number of Class IC SEK Units	
- outstanding at the beginning of the year	14,986,747.221
- issued	584,567.189
- redeemed	-3,405,002.892
- outstanding at the end of the year	12,166,311.518
Net asset value per Class IC SEK Unit	
- as at 31.12.2016	111.42
- as at 31.12.2015	120.25
- as at 31.12.2014	119.48

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

IKC FUND - Lux 0 - 100

Statement of investments and other net assets (in SEK)

as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Investments in securities					
Transferable securities admitted to an official stock exchange listing					
Shares					
EUR	7,150	LVMH Moët Hennessy L Vuit SE	7,973,101.14	12,436,007.21	0.92
EUR	60,000	Vinci SA	26,298,095.01	37,221,440.07	2.75
			34,271,196.15	49,657,447.28	3.67
HKD	31,800	Tencent Holdings Ltd	7,649,726.24	7,074,017.64	0.52
PHP	3,463,100	Cemex Holdings Philippines Inc	7,325,099.38	7,050,769.04	0.52
PHP	2,376,500	Manila Water Co Inc	12,555,566.24	12,641,083.32	0.93
PHP	2,273,390	Max's Group Inc	10,969,266.30	10,424,672.77	0.77
PHP	5,902,721	Metro Pacific Investments Corp	7,596,505.36	7,210,659.08	0.53
PHP	794,410	San Miguel Corp	14,388,041.26	13,449,151.35	0.99
			52,834,478.54	50,776,335.56	3.74
SEK	63,909	Besqab AB	12,855,185.06	12,717,891.00	0.94
SEK	16,000	Betsson AB B	1,520,224.00	1,406,400.00	0.10
SEK	86,910	Evolution Gaming Group AB	21,432,495.84	22,553,145.00	1.66
SEK	15,000	Fastighets Balder AB B	2,210,842.60	2,761,500.00	0.20
SEK	28,265	Fastighets Balder AB Pref	9,736,760.34	9,138,074.50	0.67
SEK	163,557	Heba Fastighets AB B	19,377,249.98	18,604,608.75	1.37
SEK	60,000	Hufvudstaden AB A	6,672,107.97	8,634,000.00	0.64
SEK	87,187	ICA Gruppen AB	21,570,756.97	24,229,267.30	1.79
SEK	271,000	NetEnt AB B	18,679,523.19	19,051,300.00	1.41
SEK	605,800	Victoria Park AB A	13,385,462.41	13,509,340.00	1.00
SEK	736,973	Victoria Park AB B	15,505,314.66	16,508,195.20	1.22
			142,945,923.02	149,113,721.75	11.00
THB	144,000	Airports of Thailand PCL Nv DR	14,049,326.49	14,561,108.01	1.07
USD	19,000	Activision Blizzard Inc	7,535,177.97	6,237,793.06	0.46
USD	120,000	Ambev SA spons ADS repr 1 Share	6,635,498.10	5,356,888.56	0.40
USD	33,649	American Water Works Co Inc New	14,978,372.55	22,137,093.22	1.63
USD	72,000	Banco Bradesco SA spons ADR repr 1 Pref Share	6,609,104.26	5,701,649.62	0.42
USD	6,000	Caterpillar Inc	5,198,869.58	5,059,041.19	0.37
USD	19,000	Conagra Brands Inc	5,323,358.86	6,832,033.11	0.50
USD	6,568	Dover Corp	4,599,160.25	4,474,440.63	0.33
USD	10,000	Dow Chemical Co	5,455,859.18	5,202,327.96	0.38
USD	16,000	Electronic Arts Inc	11,679,972.32	11,457,122.69	0.85
USD	22,150	Hormel Foods Corp	6,088,585.56	7,010,155.11	0.52
USD	13,000	Intl Game Technology Plc	3,263,779.13	3,016,295.57	0.22
USD	68,000	Itau Unibanco Hg SA spons ADR Repr 1 Share	6,971,303.03	6,355,531.87	0.47
USD	6,333	Lamb Weston Holdings Inc Reg S	1,568,989.08	2,179,341.28	0.16
USD	17,500	Marathon Petroleum Corp	6,681,250.54	8,011,012.28	0.59
USD	62,000	Microsoft Corp	34,435,521.62	35,027,796.02	2.58
USD	12,500	Tyson Foods Inc Cl A	5,456,358.66	7,009,777.80	0.52
USD	9,500	Visa Inc A	6,959,830.22	6,738,751.24	0.50
			139,440,990.91	147,807,051.21	10.90
Total shares			391,191,641.35	418,989,681.45	30.90
Bonds					
SEK	20,000,000	Saab AB FRN EMTN 13/ 10.12.18	20,000,535.84	20,222,400.00	1.49
Total bonds			20,000,535.84	20,222,400.00	1.49

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

IKC FUND - Lux 0 - 100

Statement of investments and other net assets (in SEK) (continued)

as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Open-ended investment funds					
Investment funds (UCITS)					
EUR	3,500	JPMorgan Inv Fds Global Dividend C EUR Cap	5,730,976.41	6,732,219.43	0.50
SEK	147,800	Coeli SICAV I Sweden Fd I SEK Cap	16,544,135.74	18,120,280.00	1.34
SEK	819,091.2731	IKC Asien B Cap	81,953,757.30	78,812,962.30	5.81
SEK	646,597.6187	IKC Avkastningsfond Units Cap	69,884,753.42	72,011,576.79	5.31
SEK	5,000	IKC Fastighetsfond Units A Cap	500,000.00	623,950.00	0.05
SEK	345,381.7828	IKC Fastighetsfond Units B Cap	35,287,126.77	43,469,751.18	3.21
SEK	660,804.7834	IKC Filippinerna Units C Cap	73,291,096.02	69,906,538.04	5.16
SEK	160,000	IKC GI Infrastructure B Cap	16,000,000.00	16,966,400.00	1.25
SEK	621,214.214	IKC Global Brand Units B Cap	87,812,832.33	122,248,745.17	9.02
SEK	210,000	IKC Global Healthcare B Cap	21,000,000.00	21,119,700.00	1.56
SEK	1,282,922.677	IKC Pension Variabel Cap	143,540,358.36	136,156,583.71	10.04
SEK	704,178.2896	IKC Sverige Flexibel Units Dist	101,634,249.99	126,456,337.25	9.33
			647,448,309.93	705,892,824.44	52.08
USD	49,943.455	UBS (Lux) Bond Fd Full Cycle Asian (USD) IA1 Cap	50,466,929.60	57,808,403.40	4.26
Total investment funds (UCITS)			703,646,215.94	770,433,447.27	56.84
Total investments in securities			1,114,838,393.13	1,209,645,528.72	89.23
Cash at banks				127,479,487.14	9.40
Other net assets/ (liabilities)				18,499,283.68	1.37
Total				1,355,624,299.54	100.00

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

IKC FUND - Lux 0 - 100

Industrial and geographical classification of investments

as at 31st December 2016

Industrial classification

(in percentage of net assets)

Investment funds	56.84 %
Software and services	7.48 %
Real estate	5.10 %
Capital goods	4.94 %
Food, beverage and tobacco	4.72 %
Consumer durables and apparel	2.08 %
Food retailing, drugstores and pharmacies	1.79 %
Utilities	1.46 %
Transportation	1.07 %
Raw materials	0.90 %
Banks	0.89 %
Hotels, restaurants and leisure	0.87 %
Energy	0.59 %
Diversified financial services	0.50 %
Total	<u>89.23 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Sweden	63.23 %
United States of America	9.39 %
Luxembourg	6.10 %
Philippines	3.74 %
France	3.67 %
Brazil	1.29 %
Thailand	1.07 %
Cayman Islands	0.52 %
United Kingdom	0.22 %
Total	<u>89.23 %</u>

IKC FUND

Notes to the financial statements

as at 31st December 2016

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.

The financial statements are presented on the basis of the Net Asset Values of the Sub-Funds calculated as at 31st December 2016. In accordance with the prospectus, the last official trading Net Asset Values of the corresponding Sub-Funds have been calculated as at 30th December 2016 as banks were closed for business in Stockholm and in Luxembourg on 31st December 2016. Nevertheless, additional Net Asset Values have been calculated as at 31st December 2016 for reporting purpose and are disclosed in these financial statements.

b) Valuation

- 1) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof.
- 2) Securities listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued at the last available price; in the event that there should be several such markets, on the basis of the last available price of the main market for the relevant security. Should the last available price for a given security not truly reflect its fair market value, then that security shall be valued on the basis of the probable sales price which the Management Company deems it is prudent to assume.
- 3) Securities not listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued on the basis of their last available price. Should the last available price for a given security not truly reflect its fair market value, then that security will be valued by the Directors on the basis of the probable sales price which the Management Company deems it is prudent to assume.
- 4) The liquidating value of futures, forward and options contracts (or any other derivative instruments) not traded on Regulated Markets or stock exchanges shall mean their net liquidating value determined, pursuant to the policies established in good faith by the Board of Directors of the Management Company, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts (or any other derivative instruments) traded on Regulated Markets or stock exchanges is based upon the last available settlement prices of these contracts on Regulated Markets or stock exchanges on which the particular futures, forward or options contracts (or any other derivative instruments) are traded by the Fund; provided that if a futures, forward or options contract (or any other derivative instruments) could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract is such value as the Board of Directors of the Management Company may deem fair and reasonable.

IKC FUND

Notes to the financial statements (continued)

as at 31st December 2016

- 5) Shares or units in underlying open-ended investment funds are valued at their last available price.
- 6) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. Securities valued at amortized cost are disclosed at cost value in the statement of investments, amortized interests are recorded as income receivable on portfolio in the statement of net assets. All other assets, where practice allows, may be valued in the same manner. Short-term investments that have a remaining maturity of one year or less may be valued at market value, or where market value is not available or not representative, at amortised cost.

c) Net realised gain / (loss) on sales of securities

The net realised gain / (loss) on sales of securities is determined on the basis of the average cost of securities sold.

d) Cost of securities

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

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 gain / (loss) is recorded in the statement of operations and other changes in net assets.

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

1	SEK	=	0.1117710	CHF	Swiss Franc
			0.7755230	DKK	Danish Krona
			0.1042947	EUR	Euro
			0.0890205	GBP	Pound Sterling
			0.8527629	HKD	Hong Kong Dollar
			1,481.8351461363	IDR	Indonesian Rupiah
			12.8274927	JPY	Japanese Yen
			0.4934116	MYR	Malaysian Ringgit
			5.4519457	PHP	Philippian Peso
			0.1589564	SGD	Singapore Dollar
			3.9359642	THB	Thailand Baht
			0.1099892	USD	US Dollar

f) Combined financial Statements

The combined financial statements of the Fund are expressed in SEK and are equal to the sum of the corresponding captions in the financial statements of each Sub-Fund.

IKC FUND

Notes to the financial statements (continued)

as at 31st December 2016

g) Formation expenses

Expenses incurred in connection with the establishment of the Fund and the creation of the Sub-Funds are amortised over a period of five years.

If the launch of a Sub-Fund occurs after the launch date of the Fund, the costs of formation in relation to the launch of the new Sub-Fund is charged to such Sub-Fund alone and may be amortised over a maximum of 5 years with effect from the Sub-Fund's launch date.

Formation expenses are included in the caption "Other expenses" in the statement of operations and other changes in net assets.

h) Investment income

Dividend income is recognised on an ex-dividend basis and is recorded net of withholding taxes.

Interest income is accrued on a pro rata temporis basis, net of any withholding tax.

i) Other liquid assets / Other liquid liabilities

The captions "Other liquid assets" and "Other liquid liabilities" are mainly composed of cash accounts held at brokers.

j) Transaction fees

Transaction costs disclosed under the caption "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 liquidation of transactions paid to the custodian bank and of transaction fees on financial and on derivatives instruments.

k) Valuation of forward foreign exchange contracts

Forward foreign exchange contracts are valued at forward rates for the remaining period from valuation date to the maturity of the contracts. Net unrealised gain / (loss) is recorded in the statement of net assets. Net variation of unrealised gain / (loss) and net realised gain / (loss) are recorded in the statement of operations and other changes in net assets.

l) Futures contracts

Futures contracts are posted off-balance sheet and are valued at the last available price applicable to the asset. Unrealised gain / (loss) is recorded in the statement of net assets. Net variation of the unrealised gain / (loss) and net realised gain / (loss) are recorded in the statement of operations and other changes in net assets.

The net realised gain/ (loss) on futures contracts is determined based on the FIFO Method.

Note 2 - Subscription, redemption and conversion fees

A subscription, redemption and conversion charge not exceeding 2% of the fixed price at which Units are offered, may be added for the purpose of compensating the Placement and Distribution Agent and financial intermediaries who assist in placing the Units.

IKC FUND

Notes to the financial statements (continued)

as at 31st December 2016

Note 3 - Management fee

The Investment Manager receives the following Investment Management Fee per annum of the net assets of the Sub-Fund, accrued daily and payable monthly in arrears.

The effective annual rates for the unit class currently offered are as follows:

Sub-Funds	IC SEK Unit Class	IB SEK Unit Class
- IKC FUND - IKC WORLD WIDE OPPORTUNITIES	2.50%	-
- IKC FUND - Lux 0 - 50	2.00%	-
- IKC FUND - Lux 0 - 100	2.35%	1.40%

The Management Company receives a management fee not exceeding 0.10% per annum of the net assets of the Sub-Funds, accrued daily and payable monthly in arrears with a minimum annual management fee per Sub-Fund of EUR 25,000. Furthermore, the Management Company receives an annual fee of EUR 12,000 per Sub-Fund for the provision of risk management services.

These fees are recorded under the caption "Management fees" in the statement of operations and other changes in net assets.

Note 4 - Management fees of the related party's target funds

The management fee of the related party's target funds in which the sub-fund IKC FUND - Lux 0 - 100 invests, is disclosed in the following table :

UCITS/ UCIs	ISIN	Weight (%)	Management fee (%)
IKC Asien B Cap	SE0005468790	5.81	1.90
IKC Avkastningsfond Units Cap	SE0004544823	5.31	0.60
IKC Fastighetsfond Units A Cap	SE0006600243	0.05	1.00
IKC Fastighetsfond Units B Cap	SE0006600250	3.21	0.60
IKC Filippinerna Units C Cap	SE0005468766	5.16	0.90
IKC GI Infrastructure B Cap	SE0008434955	1.25	0.70
IKC Global Brand Units B Cap	SE0008092373	9.02	1.40
IKC Global Healthcare B Cap	SE0007412986	1.56	0.70
IKC Pension Variabel Cap	SE0004330884	10.04	2.20
IKC Sverige Flexibel Units Dist	SE0003116730	9.33	1.20
Total		50.74	

IKC FUND

Notes to the financial statements (continued)

as at 31st December 2016

Note 5 - Trailer fees

Management fee retrocessions received by the Fund in relation to its investments in certain target funds are disclosed as "Commissions received" in the statement of operations and other changes in net assets.

Note 6 - Central administration costs

Out of the Sub-Fund's assets, an administration fee consisting of a flat fee of EUR 25,000 p.a. plus a variable fee of maximum 0.040% p.a. is payable to the Central Administration Agent. The fees will be accrued on a daily basis, based on the net assets of the Sub-Fund and will be paid out monthly in arrears.

The Central Administration Agent is furthermore entitled to receive out of the Sub-Fund's assets, in respect of the register and transfer agent functions, a fee of EUR 10,000 for up to two active Classes of Units and EUR 3,000 for each additional active Class of Units in accordance with Luxembourg customary banking practice, accrued daily and payable monthly in arrears. The Central Administration Agent will also be compensated for all reasonable out of pocket expenses.

These fees are recorded under the caption "Central administration costs" in the statement of operations and other changes in net assets.

Note 7 - Depositary Fees

The Depositary receives a depositary fee determined as an annual percentage calculated per market on a monthly basis based on the Sub-Funds assets and paid monthly in arrears.

The Depositary also receives a supervisory fee of 0.0075% p.a. calculated on the Net Asset Value of the Sub-Funds. In addition, the Depositary is entitled to be reimbursed out of the assets of the Sub-Funds for its reasonable out of pocket expenses and disbursements.

Note 8 - Subscription duty ("*Taxe d'abonnement*")

The Fund is governed by Luxembourg law.

Pursuant to the legislation and regulations which are prevailing, the Fund is subject to an annual "*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.

The rate of this tax is reduced to 0.01% of the value of the net assets for Sub-Funds or Classes of units reserved for institutional investors.

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

IKC FUND

Notes to the financial statements (continued)

as at 31st December 2016

Note 9 - Capped expenses

The Investment Manager of the Fund, IKC Fonder AB, has committed with effect from the launch date of the Sub-Funds and until further notice to the Fund and the Management Company, to cap the following fees at a level of 0.25% p.a. of the net assets of the Sub-Funds. Any residual due above this level will be paid by the Investment Manager directly to the Fund.

Fees in scope ("the Fees"):

- Central Administration fees (including the administration fee, and the fee in respect of the register and transfer agent functions);
- Other Administration fees (including the fee for risk management and out of pocket expenses)
- Depositary fees
- Formation expenses;
- Taxe d'abonnement;
- Audit fees;
- CSSF fees.

Expenses supported by the Investment Manager of the Fund are disclosed as "Other income" in the statement of operations and other changes in net assets.

Note 10 - Futures contracts

As at 31st December 2016, the Fund was committed in the following futures contracts :

IKC FUND - IKC WORLD WIDE OPPORTUNITIES

	Number of contracts	Denomination	Currency	Exposure (in SEK)	Unrealised result (in SEK)
Purchase	4	S&P 500 EMini Index FUT 03/ 17 CME	USD	4,066,307.55	-25,820.71
					<u>-25,820.71</u>

IKC FUND - Lux 0 - 100

	Number of contracts	Denomination	Currency	Exposure (in SEK)	Unrealised result (in SEK)
Purchase	62	S&P 500 EMini Index FUT 03/ 17 CME	USD	63,027,767.03	-400,221.04
					<u>-400,221.04</u>

Note 11 - Changes in the investment portfolio

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

IKC FUND

Notes to the financial statements (continued)

as at 31st December 2016

Note 12 - Swing pricing

Under certain circumstances investment and / or disinvestment costs may have an adverse effect on the shareholders' interests in a Sub-Fund.

In order to prevent this effect, called "dilution", the Directors have the authority to allow for the Net Asset Value per Share to be adjusted by effective dealing and other costs and fiscal charges which would be payable on the effective acquisition or disposal of assets in the relevant Sub-Fund if the net capital activity exceeds, as a consequence of the sum of all subscriptions, redemptions or conversions in such a Sub-Fund, such threshold percentage (the "Threshold") as may be determined from time to time by the Directors, of the Sub-Fund's total net assets on a given Valuation Day.

If the net capital activity for a given Valuation Day leads to a net inflow of assets in excess of the Threshold in the relevant Sub-Fund, the Net Asset Value used to process all subscriptions, redemptions or conversions in such a Sub-Fund is adjusted upwards by the swing factor that shall be determined from time to time by the Directors but will not exceed 2% of the relevant Net Asset Value.

If the net capital activity for a given Valuation Day leads to a net outflow of assets in excess of the Threshold in the relevant Sub-Fund, the Net Asset Value used to process all subscriptions, redemptions or conversions in such a Sub-Fund is adjusted downwards by the swing factor that shall be determined from time to time by the Directors but will not exceed 2% of the relevant Net Asset Value.

There was no "Swing Pricing" applied for the Net Asset Value as at 31st December 2016 for the Sub-Funds.

IKC FUND

Additional Information (unaudited)

as at 31st December 2016

1 - Risk management

As required by circular CSSF 11/ 512, the Board of Directors of the Management Company needs to determine the global risk exposure of the Fund either by applying the commitment approach or the VAR approach. In terms of risk management, the Boards of Directors of the Management Company decided to adopt the commitment approach as a method of determining and monitoring the global risk exposure.

2 - Remuneration disclosure

SEB Fund Services S.A. (SEB) has implemented a Remuneration policy that is designed to encourage good performance and behavior, and seeks to achieve a balanced risk-taking that goes in line with unitholders' expectations.

In SEB, there is clear distinction between the criteria for setting fixed remuneration (e.g. base pay, pension and other benefits) and variable remuneration (e.g. short- and long-term variable remuneration). The individual total remuneration corresponds to requirements on task complexity, management and functional accountability and also related to the individual's performance.

SEB provides a sound balance between fixed and variable remuneration and aligns the payout horizon of variable pay with the risk horizon. This implies that certain maximum levels and deferral arrangements apply for different categories of employees.

The amount below represents the proportion of the total remuneration on calendar year 2016 and adjusted according to the number of full time employees during the year 2016 and identified staff (i.e. the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM/ Management Company whose actions have a material impact on the risk profile of the funds). This amount is further proportioned to the total net asset value of each fund, taking into account UCITS and non-UCITS.

Fund	TNA as of 31st December 2016*	% of total TNA managed by AIFM / Management Company	Fixed Remuneration *		Variable Remuneration *		Number of beneficiaries (Average Full Time Equivalent)
			All Employees	Identified Staff	All Employees	Identified Staff	All Employees
IKC FUND	151,924,690.04	2.09	28,009.42	10,584.28	1,036.99	488.44	14.18

* All amounts are in euro

Fixed Remuneration (incl. fixed salary, allowances, pension)

Variable Remuneration (incl. short term incentives and long term incentives)

IKC FUND

Additional Information (unaudited) (continued)
as at 31st December 2016

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

At the date of the financial statements, the Fund is not in the scope of the publication requirements of SFTR. No corresponding transactions were carried out during the reporting period.

IKC Fonder AB
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Sweden