

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

**IOR**

Investment Fund -Specialised Investment Fund (FCP-SIF), Luxembourg

R.C.S. Luxembourg K64

#### 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.

# IOR

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# IOR

## Organisation

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**Management Company and  
Alternative Investment  
Fund Manager  
(since 1st November 2016)**

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

**Board of Directors of the  
the Management Company  
and Alternative Investment  
Fund Manager**

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

**Directors**  
Göran FORS  
Deputy Head of Investor Services  
Skandinaviska Enskilda Banken AB (publ), Sweden

Marie JUHLIN  
Managing Director  
SEB Fund Services S.A., Luxembourg

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

**Conducting Officers**

Jan HEDMAN, Deputy Managing Director  
(since 1st November 2016)  
Marie JUHLIN, Managing Director  
Loic GUILLEMET, Deputy Managing Director  
(until 31st December 2016)

**Management Company and  
Alternative Investment  
Fund Manager  
(until 31st October 2016)**

SEB Asset Management S.A.  
4, rue Peternelchen  
L-2370 Howald

**Board of Directors of  
SEB Asset Management S.A.**

**Chairman**  
Erika LUNDQUIST  
Managing Director  
Skandinaviska Enskilda Banken S.A., Luxembourg

**Directors**  
Elisabeth SCHEJA STERNER  
Head of Global Product & Distribution Strategy  
Skandinaviska Enskilda Banken AB (publ), Sweden

Marcus WERNERSSON  
Managing Director  
Skandinaviska Enskilda Banken S.A., Luxembourg

## IOR

### Organisation (continued)

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	Marie WINBERG Director Business Strategy Skandinaviska Enskilda Banken AB (publ), Sweden
<b>Conducting officers of SEB Asset Management S.A.</b>	Matthias EWALD Marcus WERNERSSON Loic GUILLERMET (until 15th March 2016)
<b>Depository and Paying Agent</b>	Skandinaviska Enskilda Banken S.A. 4, rue Peternelchen L-2370 Howald
<b>Central Administration Agent</b>	SEB Fund Services S.A. 4, rue Peternelchen L-2370 Howald (since 1st November 2016)
<b>Central Administration, Registrar Transfer Agent, Administrative and Paying Agent (until 31st October 2016)</b>	The Bank of New York Mellon (Luxembourg) S.A. 2-4, rue Eugène Ruppert L-2453 Luxembourg
<b>Sub-Administrative Agent, Registrar and Transfer Agent (since 1st November 2016)</b>	European Fund Administration S.A. 2, rue d'Alsace L-1122 Luxembourg
<b>Portfolio Manager</b>	Skandinaviska Enskilda Banken AB (publ) Kungsträdgården 8 SE-106 40 Stockholm
<b>Auditor</b>	PricewaterhouseCoopers, Société coopérative 2, rue Gerhard Mercator L-2182 Luxembourg

# IOR

## General information

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IOR (the "Fund") was incorporated on 15th November 2007 and is organised as an FCP-FIS, a common mutual investment fund (*Fonds Commun de Placement - Fonds d'Investissement Spécialisé*), governed by the Laws of the Grand Duchy of Luxembourg and subject to the amended Law of 13th February 2007 on Specialised Investment Funds (the "2007 Law"). The Fund is established for an unlimited duration and qualifies as an Alternative Investment Fund ("AIF") under the Luxembourg Law of 12th July 2013 on Alternative Investment Fund Managers, (the "AIFM Law"). The Fund is managed by SEB Fund Services S.A. (the "AIFM").

The Fund is an unincorporated co-proprietorship of holders of Units ("Unitholders") of the securities and other assets of the Fund subject to the provisions of these Management Regulations. It is managed in the interest of the Unitholders by SEB Fund Services S.A. (the "Management Company"), a Management Company incorporated under Chapter 15 of the Law of 17th December 2010 (the "2010 Law") relating to Undertakings for Collective Investment and having its registered office in Luxembourg at 4, rue Peternelchen, L-2370 Howald. SEB Fund Services S.A. also acts as an internal Alternative Investment Fund Manager (the "AIFM") authorized in accordance with the provisions of Chapter 2 of the AIFM Law.

The updated Management Regulations of the Fund have been signed by the Management Company and the Depositary on 14th October 2016, effective as of 1st November 2016.

For this Fund, the Management Company decided to issue one class of units:

### Distribution Units ("D" units)

The "D" Units may pay a dividend.

The base currency of the Fund is Euro.

The Units of the Fund are reserved to Eligible Investors within the meaning of article 2 of the 2007 Law. The Management Company will refuse to issue Units to persons and companies that do not characterize as Eligible Investors.

The Net Asset Value per unit as well as the issue and redemption prices, which are computed quarterly on bank business days in Luxembourg except 24th December and 31st December, can be obtained from the registered offices of the Management Company, the AIFM, the Depositary and the Paying Agents.

The Fund's financial year begins on 1st January of each year and ends on 31st December of the same year. Financial reports of the Fund are published annually.

The following documents can be inspected by the Unitholders at the offices of the Depositary and the Management Company:

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

**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.

**Management Report (continued)**

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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.

**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 signalled 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.

**The United States**

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, 3rd February 2017

The report of the Management Company

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



**Report of the Board of Directors of the Management Company**

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**Market update**

The past year was very volatile and kicked off with falling equity markets around the world. During the first quarter we saw the bottoming out in the commodity sector. Falling prices in this sector, especially the falling oil price, have been a burden for markets over a long period of time causing falling profitability in the corporate sector and worries in the credit market. In terms of growth the uptick in the second half of the year was the most notable. The uptick was strong and broad based in terms of geography and sectors and led to upward revisions for global growth. Overall 2016 was the year of elections with the Brexit vote and the US election of Donald Trump as president. Even if global growth started to pick up before the US election, Donald Trump's promises of fiscal stimulus and investments in infrastructure brought an extra stimulus to the strong equity performance experienced during the last quarter of 2016.

**Fund Update**

Developments for the fund were positive during the year. The funds equity and private equity portfolios contributed the most to the fund's performance, while the fixed income and hedge fund portfolios had a negative impact.

We added a number of new private equity fund's during the year, including EQT Mid Market Europe, EQT Mid Market Asia, IK Investment Partners Fund VIII, Monterro fund 2 and Northzone fund VIII.

Over the year we increased the allocation to equities. Swedish equities saw the biggest increase with investments in Lannebo Nano Cap fund plus, H&M and Nobia among other companies.

The hedge fund portfolio had a difficult year. Goldman Sachs Investment Partners Fund, the largest holding in the hedge portfolio, was the worst performer.

The fixed income portfolio with holdings in Proventus Fund 3 had a disappointing year.

Due to new inflows into the fund, the proportion of liquid resources was relatively high during the year and did not contribute to the funds return. This was primarily due to the prevailing interest rate situation during the reporting period.

The strengthening of the US dollar during the year affected the fund positively.

**Strategy going forward**

Favorable monetary and fiscal policies substantially reduce the probability of a recession in developed and emerging markets. Despite a favorable economic and policy backdrop there is no shortage of global risks, including rising populism in Europe and geopolitical tensions. On top of this we can now also add the somewhat unpredictable new Trump "Twitter Administration" in the US.

IOR's portfolio is currently somewhat defensive with close to 20 percent held in cash. Over time this is potentially too defensive. Given that valuations are at or slightly above their historical averages, returns on equities will, in the near term, probably be below the historical average. Despite this there are always interesting investments to consider.

Luxembourg, 7th April 2017

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  
**IOR**

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We have audited the accompanying financial statements of IOR, 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 the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

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

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

### *Responsibility of the "Réviseur d'entreprises agréé"*

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

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

PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg  
T: +352 494848 1, F: +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)

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 IOR as of 31st December 2016, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

*Other information*

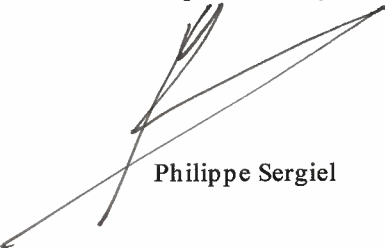
The Board of Directors of the Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our audit report thereon.

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, 13th July 2017



Philippe Sergiel

## IOR

### Statement of net assets (in EUR)

as at 31st December 2016

#### Assets

##### **Investments**

Securities portfolio at market value	63,184,279.71
	<u>63,184,279.71</u>

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

Cash at banks	14,739,542.07
	<u>14,739,542.07</u>

##### **Receivables**

Receivable on sales of securities	382,232.25
Receivable on issues of shares	1,124,815.22
Income receivable on portfolio	2,205.22
	<u>1,509,252.69</u>

##### **Total assets**

79,433,074.47

#### Liabilities

##### **Payables**

Payable on purchases of securities	42,760.05
Expenses payable	153,100.42
	<u>195,860.47</u>

##### **Total liabilities**

195,860.47

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

79,237,214.00

Number of Units outstanding	410,664.134
Net asset value per Unit	192.949

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

## IOR

### Statement of operations (in EUR)

from 1st January 2016 to 31st December 2016

#### Income

##### **Investment income**

Dividends, net	762,033.12
Interest on bonds and other debt securities, net	7,491.97
Interest on bank accounts	3,173.93
	<hr/>
	772,699.02

##### **Realised gain on investments**

- on securities portfolio	3,350,023.04
- on forward foreign exchange contracts	43,407.43
	<hr/>
	3,393,430.47

##### **Appreciation of unrealised results on investments**

- on securities portfolio	14,113,443.22
	<hr/>
	14,113,443.22

##### **Other income**

89,648.28

##### **Total income**

18,369,220.99

#### Expenses

##### **Investment advisory or management fees**

Management fees	296,345.47
	<hr/>
	296,345.47

##### **Other expenses**

Banking charges and other fees	2,448.92
Transaction fees	2,439.97
Subscription duty ("taxe d'abonnement")	7,246.56
Interest paid on bank accounts	1,000.25
	<hr/>
	13,135.70

##### **Realised loss on investments**

- on securities portfolio	771,049.93
- on foreign exchange	36,520.50
	<hr/>
	807,570.43

##### **Depreciation of unrealised results on investments**

- on securities portfolio	13,494,681.56
	<hr/>
	13,494,681.56

##### **Total expenses**

14,611,733.16

##### **Net income**

3,757,487.83

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

## IOR

### Statement of changes in net assets (in EUR) from 1st January 2016 to 31st December 2016

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Net income	3,757,487.83
Subscriptions	22,491,720.02
Redemptions	0.00
Total changes in net assets	<hr/> 26,249,207.85
Total net assets at the beginning of the year	52,988,006.15
<b><u>Total net assets at the end of the year</u></b>	<hr/> <hr/> <b>79,237,214.00</b>

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

## IOR

### Statistical information (in EUR)

as at 31st December 2016

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#### Total net assets

- as at 31.12.2016	79,237,214.00
- as at 31.12.2015	52,988,006.15
- as at 31.12.2014	38,159,564.40

#### Number of Units

- outstanding at the beginning of the year	288,454.140
- issued	122,209.994
- redeemed	0.000
<hr/>	<hr/>
- outstanding at the end of the year	410,664.134

#### Net asset value per Unit

- as at 31.12.2016	192.949
- as at 31.12.2015	183.696
- as at 31.12.2014	148.296

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

# IOR

## Statement of investments and other net assets (in EUR)

as at 31st December 2016

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>					
DKK	60,000	Danske Bank A/ S	1,366,342.06	1,728,376.66	2.18
SEK	129,230	Active Biotech AB	668,557.74	140,845.18	0.18
SEK	15,000	Autoliv Inc SDR	960,992.11	1,608,224.72	2.03
SEK	50,000	Getinge AB B	1,056,460.15	761,872.99	0.96
SEK	70,000	Hennes & Mauritz AB B	2,227,893.15	1,849,979.90	2.33
SEK	150,000	Hoist Finance AB	1,033,585.39	1,325,846.74	1.67
SEK	100,000	Industrivaerden AB C	1,598,062.33	1,770,924.50	2.23
SEK	180,000	Nobia AB	1,466,755.98	1,592,893.39	2.01
SEK	120,000	Recipharm AB B	1,277,425.14	1,514,359.46	1.91
SEK	50,000	Sandvik AB	499,186.32	587,700.80	0.74
SEK	70,000	Skanska AB B	1,269,692.47	1,570,365.73	1.98
			12,058,610.78	12,723,013.41	16.04
USD	30,000	Bank of America Corp	646,224.11	628,674.38	0.79
USD	12,000	Citigroup Inc	674,024.40	676,237.44	0.85
USD	8,200	JPMorgan Chase & Co	652,077.10	670,944.43	0.85
			1,972,325.61	1,975,856.25	2.49
			15,397,278.45	16,427,246.32	20.71
<b>Total shares</b>					
<b>Bonds</b>					
SEK	N/ A	Proventus Capital Part II AB FRN 11/ 29.06.21**	459,341.81	564,130.19	0.71
SEK	N/ A	Proventus Capital Part III AB FRN Ser A1 14/ 14.05.24**	1,218,707.06	1,110,217.39	1.40
			1,678,048.87	1,674,347.58	2.11
<b>Total bonds</b>					
<b><u>Other transferable securities</u></b>					
<b>Shares</b>					
EUR	N/ A	Air P TV Development AB* ** ***	153,511.00	0.00	0.00
SEK	311,196	Cleanergy AB***	609,191.71	389,473.23	0.49
SEK	4,999,610	Halsingestitan AB	530,028.45	521,432.97	0.66
			1,139,220.16	910,906.20	1.15
			1,292,731.16	910,906.20	1.15
<b>Total shares</b>					
<b>Closed-ended investment funds</b>					
CNY	N/ A	White Peak Real Estate I LP**	165,950.58	299,460.82	0.38
EUR	N/ A	Atomico Ventures**	580,514.99	772,418.85	0.97
EUR	N/ A	Berens Afri Dev Par I Ac Fd LP**	430,528.00	710,504.00	0.90
EUR	N/ A	Creandum III LP**	695,546.47	723,294.00	0.91
EUR	N/ A	Creandum IV LP**	166,503.39	139,804.00	0.18
EUR	N/ A	EQT Credit II Holding BV**	25,013.11	265,338.32	0.33
EUR	N/ A	EQT Holding Guernsey II Ltd**	297,695.99	4,008,774.01	5.06
EUR	N/ A	EQT Infrastructure II**	40,691.82	775,723.88	0.98
EUR	N/ A	EQT Infrastructure No1 LP**	5,267.81	194,437.00	0.25
EUR	N/ A	EQT Mid Market Holding BV**	42,390.25	539,529.97	0.68
EUR	N/ A	EQT Ventures (No.1) SCSp**	45,951.14	26,128.64	0.03
EUR	N/ A	EQT VI**	835,622.30	1,335,765.00	1.69
EUR	N/ A	IK VIII N4 LP**	95,662.37	84,904.00	0.11

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



# IOR

## Statement of investments and other net assets (in EUR) (continued)

as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
EUR	N/ A	Northzone VII LP**	697,352.16	735,351.00	0.93
EUR	N/ A	Northzone VIII LP**	270,044.20	242,510.46	0.31
EUR	176.045	SEB Priv Equity Fd SICAV-SIF Opportunity II	230,093.18	389,976.49	0.49
			4,458,877.18	10,944,459.62	13.82
GBP	N/ A	Haddeo Partners LLP Interim**	879,585.67	538,938.10	0.68
SEK	N/ A	Acacia Partners Fd I AB**	407,749.34	459,769.65	0.58
SEK	N/ A	Greenbridge Inv LP**	639,377.43	911,671.30	1.15
SEK	N/ A	Monterro 1 AB**	437,352.60	460,837.11	0.58
SEK	N/ A	Monterro Tec Inv AB**	263,666.27	244,993.53	0.31
SEK	N/ A	Segulah IV F&P LP**	261,118.59	425,864.48	0.54
SEK	N/ A	Segulah V F&P LP**	700,233.11	558,634.58	0.71
			2,709,497.34	3,061,770.65	3.87
USD	N/ A	Arlon Food Agric Partner II LP**	368,435.39	378,839.37	0.48
USD	N/ A	Atomico IV LP**	166,137.42	165,939.69	0.21
USD	500,004	DAG Bloom Energy Co-Invest	377,903.37	642,803.11	0.81
USD	N/ A	EQT Mid Mkt US No1 Feed LP**	187,957.50	138,301.73	0.17
USD	28.1903	Frontier Fd (Bermuda) Ltd A31 Ser 1	21,053.02	0.00	0.00
USD	581.2796	Frontier Fd (Bermuda) Ltd A31 Ser 2	337,347.20	433,043.87	0.55
USD	10,000	Goldman Sachs Inv Part Off LP F Ser 12	751,332.64	1,113,397.50	1.41
USD	20,000	Goldman Sachs Inv Part Off LP F Ser 2	1,357,332.64	2,360,919.78	2.98
USD	N/ A	Innovation Works Dev LP**	1,328,045.70	3,836,203.31	4.84
USD	N/ A	New Silk Route PE Asia Fund**	541,506.07	518,309.31	0.65
USD	N/ A	SAIF Partners IV LP**	695,376.70	1,296,383.46	1.64
			6,132,427.65	10,884,141.13	13.74
		<b>Total closed-ended investment funds</b>	14,346,338.42	25,728,770.32	32.49
		<b>Open-ended investment funds</b>			
		<b>Investment funds (UCITS)</b>			
EUR	500,000	JO Hambro Cap Mgt Umbr Fd Plc Eur Select Val X EUR Dist	500,100.00	827,000.00	1.04
SEK	189,970.018332	Lannebo Fonder Smabolag Units Dist	523,852.66	1,619,107.86	2.04
SEK	70,340.21	Macquarie Fd Solutions Asia New Stars A SEK Cap	1,398,055.06	1,379,036.68	1.74
			1,921,907.72	2,998,144.54	3.78
		<b>Total investment funds (UCITS)</b>	2,422,007.72	3,825,144.54	4.82
		<b>Investment funds (UCI)</b>			
SEK	13,914.656972	Bodenholm One	1,511,367.48	1,493,852.36	1.89
SEK	13,594.352366	Carve 2 Units	1,634,403.45	1,730,037.28	2.18
SEK	6,029.8747	Gladiator Units	1,485,519.89	1,703,037.14	2.15
SEK	39,941.030268	Lannebo NanoCap Dist	4,272,192.12	4,587,784.77	5.79
SEK	5,891.647007	Nektar Fd Units	1,238,115.22	1,590,753.53	2.01
SEK	10,590.831	Ram One A Units	1,235,329.15	1,527,229.41	1.93
			11,376,927.31	12,632,694.49	15.95

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

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

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	23,856	Arisaig Asia Consumer Fd Ltd Red Pref Shares	961,186.56	1,391,411.49	1.76
<b>Total investment funds (UCI)</b>			<u>12,338,113.87</u>	<u>14,024,105.98</u>	<u>17.71</u>
<b>Tracker funds (UCI)</b>					
USD	1,650	ProShares Trust UltraShort 20+ Year Treasury Dist	100,291.73	63,865.92	0.08
USD	2,500	SPDR S&P 500 ETF Trust Ser 1 Dist	215,258.08	529,892.85	0.67
<b>Total tracker funds (UCI)</b>			<u>315,549.81</u>	<u>593,758.77</u>	<u>0.75</u>
Total investments in securities			<u>47,790,068.30</u>	<u>63,184,279.71</u>	<u>79.74</u>
Cash at banks				14,739,542.07	18.60
Other net assets/ (liabilities)				1,313,392.22	1.66
Total				<u><u>79,237,214.00</u></u>	<u><u>100.00</u></u>

\*Investment in liquidation (see Note 5)

\*\*Number/ Nominal value not applicable as the investment fund does not issue any share or unit (see Note 6)

\*\*\*Investment fair-valued by the Management Company

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

## IOR

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

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#### Industrial classification

(in percentage of net assets)

Investment funds	55.74 %
Banks	6.34 %
Diversified financial services	4.34 %
Consumer durables and apparel	4.34 %
Capital goods	2.72 %
Pharmaceuticals and biotechnology	2.09 %
Automobiles and components	2.03 %
Health care equipment and services	0.96 %
Food, beverage and tobacco	0.66 %
Energy	0.49 %
Investment companies	0.03 %
Total	<u>79.74 %</u>

#### Geographical classification

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

Sweden	37.24 %
Cayman Islands	14.92 %
Guernsey	6.75 %
United States of America	6.40 %
Jersey	3.59 %
Luxembourg	2.26 %
Denmark	2.18 %
British Virgin Islands	1.76 %
The Netherlands	1.66 %
United Kingdom	1.39 %
Ireland	1.04 %
Bermuda	0.55 %
Total	<u>79.74 %</u>

**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 Specialised Investment Funds.

The financial statements are presented on the basis of the Net Asset Value of the Fund dated on 31st December 2016 which has been calculated and validated as at 30th March 2017. In accordance with the prospectus, the last official trading Net Asset Value of the corresponding Fund has been calculated on 30th December 2016 as the Net Asset Value is not calculated on 31st December 2016. Nevertheless, an additional Net Asset Value has been calculated as at 31st December 2016 for reporting purpose and is disclosed in these financial statements.

b) Valuation

- (a) Transferable securities and money market instruments, which are officially listed on the stock exchange, are valued at the last available price;
- (b) Transferable securities and money market instruments, which are not officially listed on a stock exchange, but which are traded on another regulated market are valued at a price no lower than the bid price and no higher than the ask price at the time of the valuation and at which the 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 of 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 condition, 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, is value at the current market value as determined in good faith by the AIFM, following generally accepted valuation principles verifiable by auditor.
- (e) Liquid assets are valued at their nominal value plus accrued interest.
- (f) Time deposits may be valued at their yield value if a contract exists between the AIFM and the Depositary stipulating that these time deposits can be withdrawn at any time and their yield value is equal to the realized value.
- (g) All assets denominated in a different currency to the Fund's currency are converted into this Fund's currency at the last available average exchange rate.
- (h) Financial instruments which are not traded on the futures exchanges but on a regulated market are valued at their settlement value, as stipulated by the AIFM in accordance with generally accepted principles taking into consideration the principles of proper accounting, the customary practices in line with the market, and the interests of the Unitholders, provided that the above-mentioned principles correspond with generally accepted valuation regulations which can be verified by the independent auditor.

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

as at 31st December 2016

- (i) The value of the participations in UCIs and investment funds is based on the last available valuation. Generally, such participations will be valued in accordance with the methods provided by the documents governing such vehicles. These valuations shall normally be provided by the Company administrator or valuation agent of the vehicle and adjusted for subsequent calls and distributions, as necessary, at year end.
- (j) In case of extraordinary circumstances, which make the valuation in accordance with the above-mentioned criteria impossible or improper, the AIFM is authorised to temporarily follow other valuation regulations in good faith and which are according to the verifiable valuation regulations laid down by the independent auditors in order to achieve a proper valuation of the Fund's assets.

c) Realised gain/ (loss) on sales of securities

The realised gain/ (loss) on sales of securities is determined on the basis of the average cost of securities sold. The realised gains and losses on sales of securities are recorded net in the statement of operations.

d) Cost of securities

The acquisition cost of a security denominated in a currency other than that of the Fund is converted to the 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 Fund's currency are converted at the prevailing exchange rate of the closing day. Income and expenses incurred in currencies other than the Fund's currency are converted at the prevailing exchange rate of the day of each transaction. Exchange gains and losses are recorded in the statement of operations.

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

1	EUR	=	1.0716845	CHF	Swiss Franc
			7.4358792	DKK	Danish Krona
			0.8535470	GBP	Pound Sterling
			8.1764720	HKD	Hong Kong Dollar
			9.5882123	SEK	Swedish Krona
			1.0546000	USD	US Dollar

f) Investment income

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

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

**Note 2 - Management fees**

Out of the Fund's net assets, SEB Fund Services S.A. is entitled to an all-in fee up to 0.40% p.a. for its services as Management Company, AIFM and Central Administration. This fee is paid semi-annually (June and December) and based on the average net assets of the Fund calculated quarterly during the relevant period. This fee shall in particular serve as compensation for the Administrative Agent, the Registrar and Transfer Agent, the Paying Agent and the Portfolio Manager of the Fund as well for the services of the Depositary.

Furthermore, the Fund pays all taxes owed on the Fund's assets and income.

Bank and brokerage fees for transactions in securities marking up the Fund's portfolio as well as fees on transfers referring to redemption of Units is borne by the Fund.

All other costs and expenses are not to be borne by the Fund

Investment in target funds can lead to duplicate (or, if the target funds are fund of funds, triplicate) costs, in particular to double (or triple) management fees, since fees are incurred both on the side of the Fund as well on the side of the target fund (as well on the side of the target funds of the target funds).

**Note 3 - 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 subscription duty ("*taxe d'abonnement*") of 0.01% 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 68 (2) of the amended law of 13th February 2007 the net assets invested in Undertakings for Collective Investment already subject to the "*taxe d'abonnement*" are exempt from this tax.

**Note 4 - Investment in liquidation**

AIR P TV Development AB: the company has been set in liquidation and a liquidator has been elected. The global commitment of the Fund amounts to EUR 153,511.00.

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### Notes to the financial statements (continued)

as at 31st December 2016

#### Note 5 - Commitments and guarantees

The Fund has commitments in a limited number of direct or indirect investments and will therefore require follow-up investments to be drawn over the next few years.

Target name	Currency	Commitment (in local currency)	Funded Commitment (in local currency)	Recallable (in local currency)	Outstanding callable commitment (In local currency)
Air P TV Development (In liquidation)	EUR	-	-	-	-
Alder Fund I AB	SEK	5,000,000.00	4,497,342.00	-	502,658.00
Arlon Food Agric Partner II LP	USD	1,000,000.00	430,001.00	14,935.00	584,934.00
Atomico IV LP	USD	1,200,000.00	216,199.00	-	983,801.00
Atomico Ventures	EUR	1,000,000.00	814,429.00	-	185,571.00
Berens Afri Dev Par I Ac Fd LP	EUR	680,000.00	696,395.00	23,110.00	6,715.00
Creandum III LP	EUR	1,000,000.00	775,556.00	-	224,444.00
Creandum IV LP	EUR	1,500,000.00	166,503.00	-	1,333,497.00
EQT Credit II Holding BV	EUR	-	25,013.11	-	-
EQT Holding Guernsey II Ltd	EUR	-	313,101.42	-	-
EQT Infrastructure No1 LP	EUR	1,000,000.00	1,129,527.00	182,180.00	52,653.00
EQT Infrastructure II	EUR	-	40,705.03	-	-
EQT Mid-Market Holding BV	EUR	-	38,786.78	-	-
EQT Mid Mkt Europe	EUR	1,000,000.00	-	-	1,000,000.00
EQT Mid Mkt US No1 Feed LP	USD	1,200,000.00	204,722.00	36,792.00	1,032,070.00
EQT Ventures (No1) SCSp	EUR	1,000,000.00	46,790.00	8,384.00	961,594.00
EQT VI	EUR	1,000,000.00	1,051,853.00	164,981.00	113,128.00
Greenbridge Inv LP	SEK	20,000,000.00	6,019,434.00	-	13,980,566.00
Haddeo Partners LLP Interim	GBP	745,000.00	745,000.00	-	-
IK VIII N4LP	EUR	1,000,000.00	94,670.00	-	905,330.00
Innovation Works Dev LP	USD	2,000,000.00	2,000,000.00	-	-
Monterro I AB	SEK	10,000,000.00	7,094,789.00	-	2,905,211.00
Monterro Tec Inv AB	SEK	10,000,000.00	2,496,095.00	-	7,503,905.00
New Silk Route PE Asia Fund	USD	1,000,000.00	863,400.00	-	136,600.00
Northzone VII LP	EUR	1,000,000.00	697,976.00	-	302,024.00
Northzone VIII LP	EUR	1,500,000.00	165,460.00	-	1,334,540.00
Proventus Capital Part II AB FRN 11/ 29.06.21	SEK	10,000,000.00	4,251,000.00	-	5,749,000.00
Proventus Capital III AB 29/ 06/ 2016	SEK	20,000,000.00	10,755,000.00	-	9,245,000.00

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### Notes to the financial statements (continued)

as at 31st December 2016

Target name	Currency	Commitment (in local currency)	Funded Commitment (in local currency)	Recallable (in local currency)	Outstanding callable commitment (In local currency)
SAIF Partners IV LP.	USD	1,000,000.00	986,000.00	-	14,000.00
Segulah IV F&F LP	SEK	5,000,000.00	3,634,707.00	-	1,365,293.00
Segulah V F&F LP	SEK	10,000,000.00	6,593,660.00	-	3,406.340.00
White Peak Real Estate I LP	CNY	7,220,000.00	7,193,581.00	-	26,419.00

#### Note 6 - Events

By Circular Resolution, the Board of Directors decided with effective date on 1st November 2016 to:

- Replace the Management Company and the Alternative Investment Fund of SEB Asset Management S.A. with SEB Fund Services S.A., and all other information related to the changes throughout the Management Regulations,
- Resolve that European Fund Administration S.A. acts as the administrative agent, registrar and transfer agent of the Fund,
- Resolve that Skandinaviska Enskilda Banken S.A. acts as paying agent of the Fund,
- Terminate the central administration and paying agent agreements with the Bank of New York Mellon (Luxembourg) S.A.,
- Amend the prospectus.



# IOR

## Additional information (unaudited)

as at 31st December 2016

### 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 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 Management Company or the AIFM 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 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:

IOR is 200% in accordance with the commitment and 200% 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:

Fund	Internal Leverage -limit	Gross Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2016
IOR	200% for the Gross and commitmen Methodt	71.66%	84.40%	95.27%	83.03%
		Commitment Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2016
		100.00%	100.05%	100.10%	100.00%

**Additional information (unaudited) (continued)**

as at 31st December 2016

**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 *	% 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
	73,506,970.67	1.01	13,552.03	13,552.03	501.74	236.32	14.18

\* All amounts are in Euro

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

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

**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 transactions were carried out during the reporting period.

SEB Fund Services S.A.  
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L-2370 Howald