

# **Annual report including audited financial statements as at 31st December 2017**

**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.

<b>Organisation.....</b>	<b>2</b>
<b>General information .....</b>	<b>4</b>
<b>Management Report .....</b>	<b>5</b>
<b>Report of the Board of Directors of the Management Company .....</b>	<b>7</b>
<b>Audit report.....</b>	<b>8</b>
<b>IOR.....</b>	<b>11</b>
Statement of net assets .....	11
Statement of operations .....	12
Statement of changes in net assets.....	13
Statistical information .....	14
Statement of investments and other net assets .....	15
Industrial and geographical classification of investments .....	18
<b>Notes to the financial statements .....</b>	<b>19</b>
<b>Additional information (unaudited) .....</b>	<b>23</b>

# IOR

## Organisation

---

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

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

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

**Chairman**  
Göran FORS  
Acting Head of Investor Services  
Large Corporates and Financial Institutions  
Skandinaviska Enskilda Banken AB (publ), Sweden  
(since 5th May 2017)

Gustaf UNGER  
Head of Investor Services, Transaction Banking  
Skandinaviska Enskilda Banken AB (publ), Sweden  
(until 5th May 2017)

**Directors**  
Göran FORS  
Acting Head of Investor Services  
Large Corporates and Financial Institutions  
Skandinaviska Enskilda Banken AB (publ), Sweden  
(until 5th May 2017)

Claes-Johan GEIJER  
Independent Director and Advisor  
G Advisors S.à.r.l., Luxembourg  
(since 13th January 2017)

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

Jonas LINDGREN  
Client Executive, Hedge Fund Coverage  
Large Corporates and Financial Institutions  
Skandinaviska Enskilda Banken AB (publ), Sweden

**Conducting Officers**

Marie JUHLIN, Managing Director  
Jan HEDMAN, Deputy Managing Director  
Shaneera BOOLELL GUNESH (spouse RASQUÉ),  
Deputy Managing Director  
(since 15th May 2017 until 31st December 2017)

**Depository and  
Paying Agent**

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

**Organisation (continued)**

---

**Central Administration Agent**

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

**Sub-Administrative Agent, Registrar  
and Transfer Agent**

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

**Portfolio Manager**

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

**Auditor**

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

# IOR

## General information

---

IOR (the "Fund") was incorporated on 15th November 2007 and is organised as a FCP-SIF, a common mutual investment fund (*Fonds Commun de Placement* - Specialised Investment Fund), 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).

**Recovery at last**

Looking back at the past ten years, the perhaps most interesting tendency has been how the market's expectations for future growth has consistently been too optimistic. Every year has started with high expectations which then are revised lower as either a political crisis or a premature - in hindsight - tightening of monetary policy has negatively affected growth. It is in this context that 2017 stands out. For the first time since the financial crisis we have seen a strong and broad-based recovery in growth. We regard it as broad-based in the sense that all sectors and all regions showed gains in unison. It is strong in the sense that a range of major leading indicators ended higher than in decades.

The economy's strength did not go unnoticed in the financial markets. As investors embraced the idea that growth was finally gaining speed, and the likelihood for another disappointment fell, equities began to rally. So much in fact, that valuations started to reach levels which in recent history have only been surpassed during the IT bubble of the late 90s.

At the time of writing, this is one of the few potential negatives for 2018. The fact that the equity markets have already discounted much of the good macroeconomic news means we expect to see somewhat lower equity returns than 2017. Furthermore, we also expect volatility to start rising as central banks continue to tighten monetary policy.

In the following paragraphs we describe the developments and our outlook for the financial markets, global growth and monetary policy.

**Financial markets**

As stated, 2017 was a strong year for risky assets in general and equities in particular. Global equities, measured in local currency, rose by nearly 20%, driven in large part by a strong recovery in earnings.

Despite the improving growth outlook, inflation expectations and longer dated yields ended up largely where they started at the beginning of 2017. This disconnect was caused by a string of surprisingly weak inflation numbers coming out of the US throughout 2017. As the labour market continued to tighten, however, the US Federal Reserve continued to hike rates in 2017 which ensured that the US yield curve flattened significantly. This development contrasted the strong growth outlook as a flattening, inverted, yield curve traditionally is seen as a sign of an imminent recession.

In a broader asset allocation context, the most interesting feature of 2017 was the low levels of volatility. The US S&P 500 implied equity volatility index (VIX) ended up averaging the lowest levels since the inception of the index and the S&P500 had only eight days when the index either fell or rose by more than 1%. We have to go all the way back to 1965 to find a year which replicates this pattern.

**Global growth**

During the summer of 2017, global growth started to accelerate significantly. All major PMIs (Purchasing Manager Index) and consumer confidence indicators started to rise in unison for the first time since the financial crisis. Not only was the strength concerted in the sense that all major leading indicators started to rise, it was also very strong. For example, US consumer confidence rose to the highest levels since 2001 and IFO, the leading indicator for Germany, posted its highest levels on record.

**Management Report (continued)**

---

Given the strength in the economy over the second half of 2017, we are at a point where growth seems finally to have consolidated. The likelihood of a slowdown in growth has fallen significantly and if leading indicators are to be trusted the momentum seems set to continue going into 2018.

Finally, it is also worth noting that global trade has once more started to rise. The growth rate in trade for large global exporters such as South Korea has left the single digit range which has dominated since 2011. This development will be especially beneficial for the Emerging Market space in particular.

**Monetary policy**

As growth strengthened in 2017, global central banks continued to tighten monetary policy. In contrast to the last five years this tightening fortunately did not have a negative impact on financial markets.

The US Federal Reserve hiked rates three times in 2017. This was in line with their projection, but more than what the market was pricing. This decision to hike was largely motivated by the strong labour market, which is projected to result in higher wage inflation, and a view that the low inflation readings of 2017 were caused by temporary factors. At the time of writing, early 2018, there has been no material change in the Fed's outlook and it is aiming for three hikes over the next 12 months.

The ECB announced it will continue to withdraw support through its purchases of bonds. There was some anxiety that this announcement would have a negative effect on the broader financial markets, but this didn't happen and the strong growth theme dominated. The development regarding the ECB announcement illustrated that central banks in general had less impact on financial markets in 2017 than they have had in the last couple of years.

**Outlook for financial markets & economic growth**

As of writing, we find it hard not to be constructive on the outlook for the global economy. We expect that all the positive leading indicators (questionnaires for firms and consumers) will translate into even higher growth rates for consumption and production in the coming months.

In line with the growing economy, we expect central banks to continue to tighten monetary policy. As the US economy is farthest ahead in the economic cycle, we expect this tightening to be driven by the Fed. We expect the ECB to follow the announced plan of reducing their bond purchases.

In terms of the financial markets, the outlook is more uncertain. As stated, much of the good news from 2017 has already been discounted and, as such, valuations are at levels from which we do not expect to see further multiple expansion. With that said, we believe the growth environment will remain conducive to earnings growth. We expect equities to deliver a higher return than all major fixed income alternatives; albeit lower than 2017.

Luxembourg, 6th July 2018

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**

---

**Market update**

During 2017 the global economy saw a synchronized upswing in activity in most of the important regions. In general the growth rate beat expectations, especially in Europe and in the US. According to the IMF, global growth rates are expected to be 3.6 per cent in 2017 and 3.7 per cent in 2018. These are the highest growth rates since the recession in 2008-2009. Despite the relatively high growth, the inflation rate in the developed markets is still around two per cent and seems not to threaten the economy. On a global basis there is still spare capacity in the form of both workforce and production. The Fed is continuing to raise rates and we are waiting to see what steps the ECB will take and for how long they will keep the negative prime rate. At some point monetary policies will normalize and it is difficult to judge at what level this will have a negative impact on equity markets and on the real economy.

**Fund update**

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

The Fund performance for the financial year was 5.3 percent.

Acacia Partners Fund I AB changed its name into Alder Fd I AB Class B Shares.

During the year, we added a number of new private equity Cerebras Systems Inc Pref Ser C, Docker Inc Pref Stock Ser E and new private equity funds, including Green Bay Ventures LLC, Maloekoe Capital Partners, Sonanz Impact Fund, EQT Credit Opp III (No. 1), EQT Infrastructure III, EQT Mid Mkt Europe, EQT Mid Mkt Asia III.

Over the year we increased the allocation to equities with investments in Oncopeptides, Kinnevik, Macquarie Fd Solutions Asia New Stars I USD Cap, JO Hambro Cap Mgt Umbr Fd Plc Global Select B EUR Cap and SEB Ethical Global Index Fund among others.

The hedge fund portfolio had a difficult year. Goldman Sachs Investment Partners Fund was the worst performer. The Fund was redeemed during the year.

The relatively weak USD and SEK have had an overall negative impact on the Fund.

**Strategy going forward**

Given the overall positive development of the global economy and the low interest rate environment equities will probably be the best performing asset class even though the valuation of the global stock markets is relatively high in a historical perspective. One shall also take into consideration the fact that we see a lot of geopolitical tensions.

Luxembourg, 6th July 2018

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**

---

### *Our opinion*

In our opinion, the accompanying financial statements give a true and fair view of the financial position of IOR (the "Fund") as at 31st December 2017, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### ***What we have audited***

The Fund's financial statements comprise:

- the statement of net assets as at 31st December 2017;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of investments and other net assets as at 31st December 2017; and
- the notes to the financial statements, which include a summary of significant accounting policies.

---

### *Basis for opinion*

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

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

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

---

### *Other information*

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

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

*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)**

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

---

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

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

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

---

### *Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements*

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

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

We also:

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



**Audit report (continued)**

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

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

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 6th July 2018

A handwritten signature in black ink, appearing to be "Philippe Sergiel", written over the printed name.

Philippe Sergiel

# IOR

## Statement of net assets (in EUR) as at 31st December 2017

### Assets

#### **Investments**

Securities portfolio at market value	76,578,993.60
	<u>76,578,993.60</u>

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

Cash at banks	8,032,156.34
	<u>8,032,156.34</u>

#### **Receivables**

Receivable on issues of shares	420,510.44
	<u>420,510.44</u>

#### **Total assets**

85,031,660.38

### Liabilities

#### **Payables**

Payable on purchases of securities	508.63
Expenses payable	172,320.91
	<u>172,829.54</u>

#### **Borrowings**

Bank overdrafts	1.59
	<u>1.59</u>

#### **Total liabilities**

172,831.13

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

84,858,829.25

#### Breakdown of net assets per unit class

Unit class	Number of units	Currency of unit class	NAV per unit in currency of unit class	Net assets per unit class (in EUR)
D	417,840.773	EUR	203.089	84,858,829.25
				<u>84,858,829.25</u>

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

# IOR

## Statement of operations (in EUR)

from 1st January 2017 to 31st December 2017

### Income

#### **Investment income**

Dividends, net	417,925.15
Interest on bank accounts	69,958.77
	<u>487,883.92</u>

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

- on securities portfolio	2,770,787.53
	<u>2,770,787.53</u>

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

- on securities portfolio	7,908,094.43
	<u>7,908,094.43</u>

#### **Other income**

Other commissions received	51,821.16
	<u>51,821.16</u>

#### **Total income**

11,218,587.04

### Expenses

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

Management fees	328,083.42
	<u>328,083.42</u>

#### **Other expenses**

Banking charges and other fees	66.12
Transaction fees	1,002.00
Other administration costs	180.53
Subscription duty ("taxe d'abonnement")	8,029.42
Bank interest paid	4,849.74
Other fees	39.00
	<u>14,166.81</u>

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

- on securities portfolio	1,003,693.81
- on foreign exchange	649,427.46
	<u>1,653,121.27</u>

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

- on securities portfolio	5,033,110.73
	<u>5,033,110.73</u>

#### **Total expenses**

7,028,482.23

#### **Net income**

4,190,104.81

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

**Statement of changes in net assets (in EUR)**  
from 1st January 2017 to 31st December 2017

Net income	4,190,104.81
Subscriptions	1,431,510.44
Redemptions	0.00
Total changes in net assets	5,621,615.25
Total net assets at the beginning of the year	79,237,214.00
<b><u>Total net assets at the end of the year</u></b>	<b><u>84,858,829.25</u></b>

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

## IOR

### Statistical information (in EUR) as at 31st December 2017

Total net assets	Currency	31.12.2015	31.12.2016	31.12.2017
	EUR	52,988,006.15	79,237,214.00	84,858,829.25
Net asset value per unit	Currency	31.12.2015	31.12.2016	31.12.2017
D	EUR	183.696	192.949	203.089
Number of units	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
D	410,664.134	7,176.639	-	417,840.773

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 2017

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	1,946,317.34	2.29
SEK	129,230	Active Biotech AB	668,557.74	22,873.97	0.03
SEK	20,000	Autoliv Inc SDR	1,446,185.13	2,130,127.32	2.51
SEK	250,000	Hoist Finance AB	1,923,045.30	2,346,039.22	2.77
SEK	100,000	Industrivaerden ABC	1,598,062.33	2,059,936.88	2.43
SEK	75,000	Kinnevik AB B	1,966,606.16	2,115,631.47	2.49
SEK	200,000	Nobia AB Bearer	1,633,619.50	1,411,946.86	1.66
SEK	200,000	Oncopeptides AB Reg	971,878.95	1,627,604.45	1.92
SEK	160,000	Recipharm AB B	1,668,134.23	1,607,259.39	1.89
SEK	100,000	Sandvik AB	1,215,754.99	1,461,792.24	1.72
<b>Total shares</b>			13,091,844.33	14,783,211.80	17.42
			14,458,186.39	16,729,529.14	19.71
<b>Bonds</b>					
SEK	N/ A	Proventus Capital Part II AB FRN 11/ 29.06.21**	135,404.14	93,416.56	0.11
SEK	N/ A	Proventus Capital Part III AB FRN Ser A1 14/ 14.05.24**	1,175,321.33	1,116,064.95	1.32
<b>Total bonds</b>			1,310,725.47	1,209,481.51	1.43
<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	1,586,196	Cleanergy AB***	809,788.85	242,034.34	0.29
SEK	5,300,344.7	Halsingestintan AB	561,273.05	539,179.04	0.64
			1,371,061.90	781,213.38	0.93
USD	N/ A	Cerebras Systems Inc Pref Ser C**	439,018.89	416,370.58	0.49
USD	N/ A	Docker Inc Pref Stock Ser E**	419,405.88	416,384.80	0.49
USD	N/ A	Green Bay Ventures LLC**	283,623.01	245,266.27	0.29
<b>Total shares</b>			1,142,047.78	1,078,021.65	1.27
			2,666,620.68	1,859,235.03	2.20
<b><u>Closed-ended investment funds</u></b>					
CNY	N/ A	White Peak Real Estate I LP**	0.00	68,436.84	0.08
EUR	N/ A	Atomico Ventures III LP**	655,684.81	737,000.00	0.87
EUR	N/ A	Berens Afri Dev Par I Ac Fd LP**	314,603.00	492,160.00	0.58
EUR	N/ A	Creandum III LP**	758,146.79	967,015.00	1.14
EUR	N/ A	Creandum IV LP**	435,958.36	481,916.00	0.57
EUR	N/ A	EQT Credit II Holding BV**	25,013.11	315,518.49	0.37
EUR	N/ A	EQT Credit Opp III (No.1)**	73,959.64	61,985.00	0.07
EUR	N/ A	EQT Holding Guernsey II Ltd**	188,323.91	6,189,799.06	7.29
EUR	N/ A	EQT Infrastructure II Holding B.V.**	47,153.08	978,840.48	1.15
EUR	N/ A	EQT Infrastructure III**	247,164.63	249,649.00	0.29
EUR	N/ A	EQT Infrastructure No1 LP**	9,099.92	151,340.00	0.18
EUR	N/ A	EQT Mid Market Holding BV**	44,946.60	584,501.08	0.69
EUR	N/ A	EQT Mid Mkt Europe**	177,563.91	153,662.87	0.18
EUR	N/ A	EQT Ventures (No.1) SCSp**	252,315.41	242,347.00	0.29
EUR	N/ A	EQT VI Fd**	566,800.44	930,240.00	1.10
EUR	N/ A	IK VIII N4 LP**	349,604.64	364,408.00	0.43

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 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
EUR	N/ A	Northzone VII LP**	759,772.04	724,731.00	0.85
EUR	N/ A	Northzone VIII LP**	556,609.05	568,831.00	0.67
EUR	120.236	SEB Priv Equity Fd SICAV-SIF Opportunity II	157,150.07	289,566.76	0.34
			5,619,869.41	14,483,510.74	17.06
GBP	N/ A	Haddeo Partners LLP Interim **	879,585.67	734,369.94	0.87
SEK	N/ A	Alder Fd I AB Class B Shares**	417,267.15	566,235.35	0.67
SEK	N/ A	Greenbridge Inv LP**	660,170.00	694,919.65	0.82
SEK	N/ A	Monterro 1 AB**	500,654.73	514,995.72	0.61
SEK	N/ A	Monterro Tec Inv AB**	485,857.92	480,380.53	0.57
SEK	N/ A	Segulah IV F&P LP**	178,504.18	197,089.98	0.23
SEK	N/ A	Segulah V F&P LP**	700,233.11	526,445.50	0.62
			2,942,687.09	2,980,066.73	3.52
USD	N/ A	Arlon Food Agric Partner II LP**	284,547.25	290,728.23	0.34
USD	N/ A	Atomico Ventures IV LP**	395,897.54	510,471.75	0.60
USD	N/ A	DAG Bloom Energy Co-Invest**	377,903.37	564,508.41	0.67
USD	N/ A	EQT Mid Mkt Asia III**	296,140.13	230,764.04	0.27
USD	N/ A	EQT Mid Mkt US**	580,300.39	502,117.67	0.59
USD	28.1903	Frontier Fd (Bermuda) Ltd A5 Ser 1	21,053.02	0.00	0.00
USD	581.2796	Frontier Fd (Bermuda) Ltd A5 Ser 2	337,347.20	378,141.26	0.45
USD	N/ A	Innovation Works Dev LP**	630,956.13	3,077,794.90	3.63
USD	N/ A	Maloekoe Capital Partners**	353,196.85	322,126.83	0.38
USD	N/ A	New Silk Route PE Asia Fd**	541,506.07	442,750.55	0.52
USD	N/ A	SAIF Partners IV LP**	675,967.52	1,156,265.15	1.36
USD	N/ A	Sonanz Impact 1 GmbH & Co**	110,280.58	94,211.60	0.11
			4,605,096.05	7,569,880.39	8.92
			14,047,238.22	25,836,264.64	30.45
<b>Total closed-ended investment funds</b>					
<b>Warrants and rights</b>					
SEK	1,275,000	Cleanergy AB Call Wts Ser A 31.01.18****	0.00	0.00	0.00
SEK	1,275,000	Cleanergy AB Call Wts Ser B 31.10.18****	0.00	0.00	0.00
			0.00	0.00	0.00
<b>Total warrants and rights</b>					
<b>Open-ended investment funds</b>					
<b>Investment funds (UCITS)</b>					
EUR	1,372,880.273	J O Hambro Cap Mgt Umbr Fd Plc Eur Select Val XEUR Dist	2,000,100.00	2,498,642.10	2.94
EUR	829,559.286	J O Hambro Cap Mgt Umbr Fd Plc Global Select B EUR Cap	2,000,000.00	2,082,193.81	2.45
			4,000,100.00	4,580,835.91	5.39
SEK	248,082.524139	Lannebo Fonder Smabolag Units Dist	1,044,998.21	2,335,111.48	2.75
SEK	70,340.21	Macquarie Fd Solutions Asia New Stars A SEK Cap	1,398,055.06	1,578,820.43	1.86
			2,443,053.27	3,913,931.91	4.61
USD	142,616.73	Macquarie Fd Solutions Asia New Stars I USD Cap	1,687,692.48	1,758,027.17	2.07
USD	1,060,070.671	SEB Fd 3 Ethical Global Index C USD Cap	1,263,477.09	1,326,798.70	1.56
			2,951,169.57	3,084,825.87	3.63
			9,394,322.84	11,579,593.69	13.63
<b>Total investment funds (UCITS)</b>					

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 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Investment funds (UCI)</b>					
SEK	22,736.653711	Bodenholm One	2,536,718.89	2,658,871.52	3.13
SEK	13,669.571442	Carve 2 Units	1,634,403.45	1,815,406.84	2.14
SEK	9,518.9206	Gladiator Units	2,480,948.97	2,817,680.00	3.32
SEK	39,941.030362	Lannebo NanoCap Dist	4,272,192.12	5,140,563.94	6.06
SEK	5,909.676117	Nektar Fd Units	1,238,115.22	1,511,790.26	1.78
SEK	24,851.531	Ram One A Units	3,309,139.68	3,544,041.44	4.18
			15,471,518.33	17,488,354.00	20.61
USD	23,856	Arisaig Asia Consumer Fd Ltd Red Pref Shares	961,186.56	1,876,535.59	2.21
<b>Total investment funds (UCI)</b>			16,432,704.89	19,364,889.59	22.82
Total investments in securities			58,309,798.49	76,578,993.60	90.24
Cash at banks				8,032,156.34	9.47
Bank overdrafts				-1.59	0.00
Other net assets/ (liabilities)				247,680.90	0.29
Total				84,858,829.25	100.00

\*Investment in liquidation (see Note 4)

\*\*Number/ Nominal value not applicable as the investment fund does not issue any share or unit (see Note 5)

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

\*\*\*\*The warrant is already expired and was not exercised

\*\*\*\*\*The warrant is not yet exercised

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

**Industrial and geographical classification of investments**  
as at 31st December 2017

**Industrial classification**

(in percentage of net assets)

Investment funds	66.90 %
Financials	12.19 %
Cyclical consumer goods	4.17 %
Healthcare	3.84 %
Industrials	1.72 %
Non-cyclical consumer goods	0.64 %
Technologies	0.49 %
Energy	0.29 %
Total	<u>90.24 %</u>

**Geographical classification**

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

Sweden	44.19 %
Cayman Islands	9.16 %
Guernsey	8.39 %
Luxembourg	6.12 %
Ireland	5.39 %
United States of America	4.12 %
Jersey	3.47 %
Denmark	2.29 %
United Kingdom	2.21 %
British Virgin Islands	2.21 %
The Netherlands	2.13 %
Bermuda	0.45 %
Germany	0.11 %
Total	<u>90.24 %</u>

**Notes to the financial statements**

as at 31st December 2017

---

**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 and with generally accepted accounting principles in Luxembourg.

The financial statements are presented on the basis of the Net Asset Value of the Fund dated on 31st December 2017. In accordance with the prospectus, the last official trading Net Asset Value of the corresponding Fund has been calculated on 29th December 2017 as the Net Asset Value is not calculated on 31st December 2017. Nevertheless, an additional Net Asset Value has been calculated as at 31st December 2017 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 2017

- (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 securities portfolio

The realised gain/ (loss) on securities portfolio 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 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 disclosed in the statement of operations.

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

1	EUR	=	1.1699281	CHF	Swiss Franc
			7.8135107	CNY	Chinese Yuan Renminbi
			7.4479119	DKK	Danish Krona
			0.8878087	GBP	Pound Sterling
			9.3861438	HKD	Hong Kong Dollar
			9.8303983	SEK	Swedish Krona
			1.2008500	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.

**Notes to the financial statements (continued)**  
as at 31st December 2017

**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 into liquidation and a liquidator has been elected. The global commitment of the Fund amounts to EUR 153,511.00.

**Note 5 - Commitments and guarantees**

The Fund has commitments in alimited 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)
Alder Fd I AB Class B Shares	SEK	5,000,000.00	4,588,571.12	-	411,428.88
Arlon Food Agric Partner II LP	USD	1,000,000.00	404,835.00	76,545.00	671,710.00
Atomico Ventures IV LP	USD	1,200,000.00	477,453.41	-	722,546.59
Atomico Ventures III LP	EUR	1,000,000.00	889,599.17	-	110,400.83

**Notes to the financial statements (continued)**  
as at 31st December 2017

Target name	Currency	Commitment (in local currency)	Funded Commitment (in local currency)	Recallable (in local currency)	Outstanding callable commitment (In local currency)
Berens Afri Dev Par I Ac Fd LP	EUR	680,000.00	696,398.00	23,110.00	6,712.00
Cerebras Systems Inc Pref Ser C	USD	500,000.00	499,998.61	-	1.39
Creandum III LP	EUR	1,000,000.00	1,037,583.00	144,133.00	106,550.00
Creandum IV LP	EUR	1,500,000.00	435,994.00	-	1,064,006.00
DAG Bloom Energy Co-invest	USD	500,004.00	500,004.00	-	-
Docker Inc Pref Stock Ser E	USD	500,000.00	500,000.00	-	-
EQT Credit II Holding BV	EUR	-	-	-	-
EQT Credit Opp III (No. 1)	EUR	1,000,000.00	73,959.64	-	926,040.36
EQT Holding Guernsey II Ltd	EUR	-	-	-	-
EQT Infrastructure No1 LP	EUR	1,000,000.00	1,133,359.00	186,013.00	52,653.93
EQT Infrastructure III	EUR	1,000,000.00	289,505.00	40,757.00	751,252.00
EQT Infrastructure II Holding B.V	EUR	-	-	-	-
EQT Mid Market Holding BV	EUR	-	-	-	-
EQT Mid Mkt Europe	EUR	1,000,000.00	200,923.00	20,508.00	819,585.00
EQT Mid Mkt US	USD	1,200,000.00	675,290.00	27,414.00	552,124.00
EQT Mid Mkt Asia III	USD	1,200,000.00	262,731.00	-	937,269.00
EQT Ventures (No. 1) SCSp	EUR	1,000,000.00	256,164.00	-	743,836.00
EQT VI Fd	EUR	1,000,000.00	978,186.00	85,148.00	106,962.00
Green Bay Ventures LLC	USD	2,000,000.00	330,000.00	-	1,670,000.00
Greenbridge Inv LP	SEK	20,000,000.00	6,217,790.56	-	13,782,209.44
Haddeo Partners LLP Interim	GBP	745,000.00	745,000.00	-	-
IK VIII N4LP	EUR	1,000,000.00	348,664.19	-	651,335.81
Innovation Works Dev LP	USD	2,000,000.00	2,000,000.00	-	-
Maloeke Capital Partners	USD	1,000,000.00	410,000.00	-	590,000.00
Monterro I AB	SEK	10,000,000.00	7,605,454.00	-	2,394,546.00
Monterro Tec Inv AB	SEK	10,000,000.00	4,727,783.00	-	5,272,217.00
New Silk Route PE Asia Fd	USD	1,000,000.00	863,400.00	-	136,600.00
Northzone VII LP	EUR	1,000,000.00	760,395.39	-	239,604.61
Northzone VIII LP	EUR	1,500,000.00	556,609.00	-	943,391.00
Proventus Capital Part II AB FRN 11/ 29.06.21	SEK	10,000,000.00	10,000,000.00	-	-
Proventus Capital III AB FRN Ser A1 14/ 14.05.24	SEK	20,000,000.00	13,000,000.00	-	7,000,000.00
SAIF Partners IV LP	USD	1,000,000.00	1,000,000.00	-	-
Segulah IV F&F LP	SEK	5,000,000.00	3,595,098.00	-	1,404,902.00
Segulah V F&F LP	SEK	10,000,000.00	6,593,660.00	-	3,406,340.00
Sonanz Impact I GmbH & Co	USD	1,000,000.00	130,000.00	-	870,000.00
White Peak Real Estate I LP	CNY	7,220,000.00	7,193,581.00	-	26,419.00

**Additional information (unaudited)**

as at 31st December 2017

**1 - Risk management disclosure**

**1.1. Risk Profile**

The current risk profile of the Sub-Fund 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 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 method 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:

Sub-Fund	Internal Leverage -limit	Gross Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2017
IOR	200% Gross (200% Commitment)	87.28%	91.16%	92.82%	92.66%
		Commitment Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2017
		98.96%	100.71%	103.36%	100.16%

**2 - Remuneration disclosure**

SEB Fund Services S.A. (SEB) as AIFM (Alternative Investment Fund Manager) 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.

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

as at 31st December 2017

The amount below represents the proportion of the total remuneration on calendar year 2017 and adjusted according to the number of full time employees during the year 2017 and identified staff (i.e. the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM 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.

	TNA as of 31st December 2017*	% of total TNA managed by AIFM / Management Company	Fixed Remuneration *		Variable Remuneration *		Number of beneficiaries **
			All Employees	Identified Staff	All Employees	Identified Staff	All Employees
IOR	83,961,962.20	0.96	13,796.72	5,215.82	376.67	211.63	15.17

\* All amounts are in euro

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

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

\*\* Average Full Time Equivalent

**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.

