

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

Elite Fund

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

R.C.S. Luxembourg K63

Notice

The sole legally binding basis for the purchase of units of the Fund described in this report is the latest valid sales prospectus with its terms of contract.

Elite Fund

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Elite Fund

Organisation

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

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

Elite Fund

Organisation (continued)

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

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

Portfolio Manager

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

Auditor

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

Elite Fund

General information

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

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

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

- Elite Fund - Star Choice in SEK

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

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

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

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

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

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

An annual report audited and semi-annual reports are available to unitholders at the office of SEB Fund Services S.A.

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

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

Elite Fund

Report from the Management Company

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.

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.

Elite Fund

Report from the Management Company (continued)

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 March 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
Elite Fund

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Elite Fund (the "Fund") as at 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 investments and other 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; 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.

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R.C.S. Luxembourg B 65 477 - TVA LU25482518*



Audit report (continued)

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

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

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

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

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

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

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 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;



Audit report (continued)

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Management Company;
- conclude on the appropriateness of the Board of Directors of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 20th June 2018

A handwritten signature in blue ink, appearing to read 'TB', with a long horizontal flourish extending to the right.

Thierry Blondeau

Elite Fund - Star Choice

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

Assets

Investments

Securities portfolio at market value	1,263,103,173.52
	<u>1,263,103,173.52</u>

Cash and cash equivalents

Cash at banks	227,179,954.47
	<u>227,179,954.47</u>

Receivables

Income receivable on portfolio	1,609,352.23
Other income receivable	353,596.16
Other receivables	446,117.85
	<u>2,409,066.24</u>

Total assets

1,492,692,194.23

Liabilities

Payables

Expenses payable	831,800.97
	<u>831,800.97</u>

Total liabilities

831,800.97

Total net assets at the end of the year

1,491,860,393.26

Breakdown of net assets per unit class

Unit class	Number of units	Currency of unit class	NAV per unit in currency of unit class	Net assets per unit class (in SEK)
C (SEK)	1,214,663.626	SEK	143.967	174,871,650.73
D (SEK)	4,960,534.979	SEK	265.493	1,316,988,742.53
				<u>1,491,860,393.26</u>

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

Elite Fund - Star Choice

Statement of operations (in SEK)

from 1st January 2017 to 31st December 2017

Income

Investment income

Dividends, net	14,941,039.33
Interest on bonds and other debt securities, net	1,950,659.73
Interest on bank accounts	26,099.50
	<hr/>
	16,917,798.56

Realised gain on investments

- on securities portfolio	59,551,395.70
	<hr/>
	59,551,395.70

Appreciation of unrealised results on investments

- on securities portfolio	89,841,755.95
	<hr/>
	89,841,755.95

Other income

Other commissions received	1,091,715.33
	<hr/>
	1,091,715.33

Total income

167,402,665.54

Expenses

Investment advisory or management fees

Management fees	7,429,435.12
	<hr/>
	7,429,435.12

Other expenses

Banking charges and other fees	12.60
Transaction fees	107,701.39
Professional fees	242,957.35
Other administration costs	60,423.53
Subscription duty ("taxe d'abonnement")	652,916.23
Bank interest paid	514,782.68
	<hr/>
	1,578,793.78

Realised loss on investments

- on securities portfolio	5,137,041.11
- on foreign exchange	363,527.99
	<hr/>
	5,500,569.10

Depreciation of unrealised results on investments

- on securities portfolio	66,805,486.91
	<hr/>
	66,805,486.91

Total expenses

81,314,284.91

Net income

86,088,380.63

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

Elite Fund - Star Choice

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

Net income	86,088,380.63
Dividends paid	-5,952,641.97
Subscriptions	22,157,465.68
Redemptions	-2,108,373.23
Total changes in net assets	<hr/> 100,184,831.11
Total net assets at the beginning of the year	1,391,675,562.15
<u>Total net assets at the end of the year</u>	<hr/> 1,491,860,393.26 <hr/>

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

Elite Fund - Star Choice

Statistical information (in SEK)

as at 31st December 2017

Total net assets	Currency	31.12.2015	31.12.2016	31.12.2017
	SEK	1,268,522,306.35	1,391,675,562.15	1,491,860,393.26

Net asset value per unit	Currency	31.12.2015	31.12.2016	31.12.2017
C (SEK)	SEK	126.438	135.847	143.967
D (SEK)	SEK	234.569	251.139	265.493

Number of units	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
C (SEK)	1,211,389.388	7,354.238	-4,080.000	1,214,663.626
D (SEK)	4,886,177.507	80,155.648	-5,798.176	4,960,534.979

Dividends paid	Currency	Dividend per unit	Ex-dividend date
D (SEK)	SEK	1.20	05.12.2017

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

Elite Fund - Star Choice

Statement of investments and other net assets (in SEK)

as at 31st December 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
SEK	125,000	ABB Ltd Reg	24,441,407.50	27,537,500.00	1.85
SEK	95,000	Arjo AB B Reg	2,694,069.05	2,223,950.00	0.15
SEK	97,000	Atlas Copco AB A	17,658,867.75	34,357,400.00	2.30
SEK	320,000	Capio AB	15,843,256.97	14,080,000.00	0.94
SEK	120,000	Hennes & Mauritz AB B	31,288,963.39	20,316,000.00	1.36
SEK	62,000	Hexagon AB B	25,800,958.80	25,475,800.00	1.71
SEK	235,000	Industrivaerden AB C	31,030,852.29	47,587,500.00	3.19
SEK	103,000	Investor AB B	33,456,642.76	38,532,300.00	2.58
SEK	95,000	Kinnevik AB B	25,090,453.00	26,343,500.00	1.77
SEK	60,000	Lundbergforetagen AB B	28,227,210.10	36,780,000.00	2.47
SEK	124,000	NCC AB B	21,675,379.76	19,505,200.00	1.31
SEK	290,000	Nordea Bank AB	25,914,363.03	28,797,000.00	1.93
SEK	250,000	Sandvik AB	20,365,213.38	35,925,000.00	2.41
SEK	250,000	Skandinaviska Enskilda Bk AB A	25,156,865.00	24,075,000.00	1.61
SEK	190,000	Skanska AB B	29,411,302.86	32,300,000.00	2.17
SEK	190,000	SKF AB B	30,604,301.53	34,618,000.00	2.32
SEK	225,000	Svenska Handelsbanken AB A	24,644,372.85	25,245,000.00	1.69
SEK	140,000	Swedbank AB A	26,461,603.00	27,706,000.00	1.86
SEK	430,000	Telefon AB LM Ericsson B	25,299,764.00	23,155,500.00	1.55
SEK	500,000	Telia Co AB	24,658,125.71	18,275,000.00	1.22
SEK	160,000	Volvo AB B	17,207,376.00	24,432,000.00	1.64
Total shares			506,931,348.73	567,267,650.00	38.03
Bonds					
SEK	5,000,000	Aker ASA FRN Sen 14/ 24.07.19	5,012,406.95	5,165,675.00	0.35
Total bonds			5,012,406.95	5,165,675.00	0.35
<u>Other transferable securities</u>					
Closed-ended investment funds					
USD	836,5744	Manticore Fd KY Ltd A1 USD Ser 10	9,744,985.01	10,212,786.68	0.68
Total closed-ended investment funds			9,744,985.01	10,212,786.68	0.68
Bonds					
SEK	74,000,000	Bonnier Finans AB 1.75% MTN Ser 2 15/ 17.06.18	73,863,690.89	74,239,760.00	4.98
Total bonds			73,863,690.89	74,239,760.00	4.98
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
EUR	17,020	CB European Quality Fd European Equity I EUR Cap	16,195,743.39	24,106,511.67	1.62
EUR	385,714.2	Montanaro European Smaller Co Plc Fd EUR Cap	12,447,396.21	20,706,605.99	1.39
			28,643,139.60	44,813,117.66	3.01
SEK	984,076,900244	AMF Rantefond Kort Dist	109,859,246.98	110,275,657.44	7.39
SEK	1,670,752.936	Carnegie Sverige Select Units Dist	35,026,541.81	43,687,181.92	2.93
SEK	12,534.7206	Nordic Equities Strateg Units Dist	15,255,560.84	22,479,442.02	1.51
SEK	164,652.448	Nordic Equities Sweden Units	17,609,410.38	35,017,805.15	2.35
SEK	1,094,334.1131	SEB Kortrantefond SEK P Cap	110,000,801.60	109,507,607.16	7.34
			287,751,561.61	320,967,693.69	21.52

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

Elite Fund - Star Choice

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

as at 31st December 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	224,916.352	Eastspring Investments China Equity Fd A USD Cap	20,810,332.93	30,333,938.83	2.03
USD	2,162,747.548	JO Hambro Cap Mgt Umbr Fd Plc Emerging Mks B USD Dist	20,802,740.50	29,106,500.57	1.95
USD	28,616.619	William Blair Scv Emerging Mks Leaders Fd I USD Cap	20,643,671.46	28,931,278.89	1.94
			62,256,744.89	88,371,718.29	5.92
Total investment funds (UCITS)			378,651,446.10	454,152,529.64	30.45
Investment funds (UCI)					
SEK	8,149.270182	Brummer Multi-Strategy Dist	20,000,000.00	20,000,020.37	1.34
SEK	6,774.670859	Carve 2 Units	7,065,009.58	8,792,032.35	0.59
SEK	200	Partners Gr P Mks CS ELTIF SCA Credit Strategie 2017 R Dist	20,000,000.00	20,000,000.00	1.34
SEK	122,922.619	Rhenman & Partners Fd Healthcare Equity L/ S RC2 SEK Cap	16,355,389.47	56,764,436.23	3.80
SEK	200,000	SEB Cred Opportunity IV IC Cap 15.01.21	20,000,000.00	21,248,400.00	1.42
SEK	9,897.7631	Strand Smabolagsfond Units Dist	14,015,000.05	25,259,883.25	1.69
Total investment funds (UCI)			97,435,399.10	152,064,772.20	10.18
Total investments in securities			1,071,639,276.78	1,263,103,173.52	84.67
Cash at banks				227,179,954.47	15.23
Other net assets/ (liabilities)				1,577,265.27	0.10
Total				1,491,860,393.26	100.00

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

Elite Fund - Star Choice

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

Industrial classification

(in percentage of net assets)

Investment funds	41.31 %
Financials	22.08 %
Industrials	14.42 %
Cyclical consumer goods	3.00 %
Technologies	1.55 %
Telecommunications services	1.22 %
Healthcare	1.09 %
Total	<u>84.67 %</u>

Geographical classification

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

Sweden	66.30 %
Luxembourg	12.15 %
Ireland	3.34 %
Switzerland	1.85 %
Cayman Islands	0.68 %
Norway	0.35 %
Total	<u>84.67 %</u>

Elite Fund

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 Undertakings for Collective Investment and with generally accepted accounting principles in Luxembourg.

The financial statements are established on the basis of the Net Asset Value of the Sub-Fund calculated on 31st December 2017. In accordance with the prospectus, the last official trading Net Asset Value of the corresponding Sub-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 for the 31st December 2017 for reporting purposes which is disclosed in these financial statements.

b) Valuation

- a) Transferable securities and money market instruments, which are officially listed on a stock exchange, are valued at the last available price.
- b) Transferable securities and money market instruments, which are not officially listed on a stock exchange, but which are traded on another regulated market are valued at a price no lower than the bid price and no higher than the ask price at the time of the valuation and at which the Management Company and the AIFM considers to be an appropriate market price.
- c) Transferable securities and money market instruments quoted or traded on several markets are valued on the basis of the last available price on the principal market for the transferable securities or money market instruments in question, unless these prices are not representative.
- d) In the event that such prices are not in line with market conditions, or for securities and money market instruments other than those covered in a), b) and c) above for which there are no fixed prices, these securities and money market instruments, as well as other assets, will be valued at the current market value as determined in good faith by the Management Company and the AIFM, following generally accepted valuation principles.
- e) Units or shares of UCI(TS) are valued at the last available Net Asset Value obtained from the Administrative Agent of such UCI(TS).

In the case that extraordinary circumstances occur which make it impossible or even wrong to make a valuation in accordance with the above-mentioned criteria, the Management Company and the AIFM is entitled to temporarily apply other generally accepted valuation procedures, which are determined by it in good faith, in order to make an appropriate valuation of the Fund's Assets.

Gains and losses on the sale of securities are determined using the average cost method.

c) Realised gain/ (loss) on securities portfolio

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

Elite Fund

Notes to the financial statements (continued)

as at 31st December 2017

d) Cost of securities

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

e) Exchange translation

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

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

1	SEK	=	0.1017253	EUR	Euro
			0.1221568	USD	US Dollar

f) Investment income

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

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

g) Transaction fees

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

Note 2 - Management fees

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

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

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

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

The Fund is governed by Luxembourg law.

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

Elite Fund

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

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

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

Note 4 - Changes in the investment portfolio

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

Elite Fund

Additional information (unaudited)

as at 31st December 2017

1 - Risk management disclosure

1.1. Risk Profile

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

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

1.2. Risk Management systems

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

1.3. Leverage

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

The AIFM calculates the leverage on a gross and on a commitment method in accordance with Article 7 and Article 8 of the Commission Delegated Regulation EU/ 231/ 2013 (the "AIFM Regulation") on a monthly basis. The gross method converts all positions on derivative financial instruments into equivalent positions in the underlying assets, while the commitment method applies the same while allowing netting and hedging arrangements.

The level of leverage during the reporting period is disclosed below:

Sub-Fund	Internal Leverage - limit	Gross Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2017
Elite Fund - Star Choice	110% Gross (110% Commitment)	78.88%	86.26%	97.57%	84.76%
		Commitment Method Leverage			
		Minimum	Average	Maximum	As at 31st December 2017
		96.14%	99.71%	102.99%	99.94%

Elite Fund

Additional information (unaudited) (continued)

as at 31st December 2017

2 - Remuneration disclosure

SEB Fund Services S.A. (SEB) as AIFM/ Management Company 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 shareholders'/ 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 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/ 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.

	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
Elite Fund	151,624,507.63	1.74	24,915.10	9,419.10	680.22	382.17	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.

