

Access Edge Emerging Markets

Swedbank Robur Access Edge Emerging Markets

Annual Report 2019

Managed by: Johan Andreasson/Linnea Zanetti
Fund company: Swedbank Robur Fonder AB
Fund type: Equity funds
Start date: 2019-11-13

Share classes open for trade: A
Benchmark: MSCI Emerging Markets Net Return



Fund's top 5 holdings	Exposure, SEK'000	% of fund
Alibaba Group	90 736	5.9
Tencent	71 793	4.6
Taiwan Semiconductor	70 183	4.5
Samsung Electronics	56 426	3.6
China Construction Bank	25 938	1.7

Investment policy

Access Edge Emerging Markets is an equity fund that strives to mimic the composition of the fund's index, MSCI Emerging Markets Net. However, significant differences in performance between the fund and index are expected to arise as the fund complies with the fund company's policy on responsible investment and undertakes in-depth sustainability initiatives within the framework of the investment process via Swedbank Robur's analysis of controversial products and/or activities. In addition, the fund excludes companies with the worst sustainability work, rewards companies with low CO2 emissions and invests approximately 10 % in impact companies that are deemed to contribute to meeting the UN's global sustainability goals. A difference in performance between the fund and the index is also expected to arise due to a management fee being charged to the fund. The fund's investment strategy means that the management strives to invest in line with the fund's sustainability strategy and at the same time, in the short and long term, to emulate the composition of the fund's index.

Fund performance

In 2019, from the launch date of 13 November 2019, the fund increased in value by 2.9 %. The benchmark index rose by 3.0 % during the same period. Deviations in returns are due partly to the exclusion of equities that are included in the fund's benchmark index but do not meet the requirements of our policy or the fund's in-depth sustainability work, and partly to the inclusion of impact companies that are deemed to contribute to meeting the UN's global sustainability goals. Deviations in returns are also due to the fund rewarding companies with low greenhouse gas emissions and companies with good sustainability initiatives.

During this period, the fund's overall sustainability work is estimated to have had only a marginal impact on the fund's performance.

In general, deviations in performance can also be due to transaction costs that arise from reinvesting dividends, managing deposits and withdrawals from the fund and adapting to changes in the index. Finally, differences in performance arise between the fund and the benchmark index due to the fund's 0.50 % management fee.

Market performance

The best emerging market exchanges in 2019 were those in Russia, Greece and Taiwan. The worst performers were those in Argentina, Chile and Saudi Arabia. Russian equities rose sharply thanks to increased dividends from companies and rising commodity prices. In Greece, bank shares performed well after the state announced a plan to buy up the banks' bad loans through a state-owned company. Taiwan benefited from its many listed IT companies, whose share prices developed strongly during the year. Argentina's new President Alberto Fernández was not appreciated by investors, who fear increased government spending and lower growth, which is why the Argentine stock market developed very weakly. In Chile, stock prices were affected negatively by investor concerns about citizens' protests, which were initially directed at increased public transport prices, but which later turned into large demonstrations against the government with demands for higher wages and cheaper schooling, as well as a dissatisfaction with privatisations. The Saudi Arabian market was pressured by the IPO of the oil company Aramco, which is the world's highest valued company. To finance the purchase of Aramco shares, investors sold other holdings in Saudi Arabia.

Other

The fund was launched on 13/11/2019. The fund has share classes, of which only Class A is open for trading. The fund may use derivative instruments including OTC derivatives in its investment policy. Until 31 December 2019, the fund used derivatives to a minor extent. According to Swedbank Robur's internal rules, the lending of securities is not permitted. There have been no conflicts of interest in connection with the fund's investments.

Financial instruments	Market value SEK '000	% of fund	Exposure, SEK '000	% of fund
X5 Retail Group GDR (RU)	8 404	0.5	8 404	0.5
Natura & Co Holding	1 737	0.1	1 737	0.1
Consumer, discretionary	84 914	5.5	84 914	5.5
Alibaba Group (CN)	90 736	5.9	90 736	5.9
Anta Sports Products (CN)	2 263	0.1	2 263	0.1
Arcelec (TR)	1 306	0.1	1 306	0.1
B2w Companhia Global Do Varejo (BR)	1 989	0.1	1 989	0.1
BAIC Motor (CN)	507	0.0	507	0.0
Baozun (CN)	186	0.0	186	0.0
Brilliance China (HK)	427	0.0	427	0.0
BYD (CN)	6 301	0.4	6 301	0.4
CCC (PL)	1 092	0.1	1 092	0.1
CJ ENM (KR)	1 679	0.1	1 679	0.1
Coway (KR)	1 690	0.1	1 690	0.1
El Puerto de Liverpool SAB (MX)	2 766	0.2	2 766	0.2
Fila Holdings (KR)	154	0.0	154	0.0
Ford Otomotiv Sanayi (TR)	2 056	0.1	2 056	0.1
Geely Automobile (HK)	2 508	0.2	2 508	0.2
Gome Retail (CN)	849	0.1	849	0.1
Haier Electronics (HK)	497	0.0	497	0.0
Hankook Tire (KR)	728	0.0	728	0.0
HLB (KR)	903	0.1	903	0.1
Home Product Center (TH)	1 444	0.1	1 444	0.1
Hotai Motor (TW)	4 692	0.3	4 692	0.3
Jumbo (GR)	1 202	0.1	1 202	0.1
LG Electronics (KR)	5 535	0.4	5 535	0.4
Li Ning (CN)	1 425	0.1	1 425	0.1
Lojas Americanas Pn (BR)	4 420	0.3	4 420	0.3
Lojas Americanas Pn Teckningsrätt (BR)	15	0.0	15	0.0
Lojas Renner (BR)	6 603	0.4	6 603	0.4
Lotte Shopping (KR)	1 486	0.1	1 486	0.1
LPP (PL)	2 354	0.2	2 354	0.2
Magazine Luiza (BR)	1 221	0.1	1 221	0.1
Meltuan Dianping (CN)	3 697	0.2	3 697	0.2
Mr Price Group (ZA)	1 711	0.0	1 711	0.0
Naspers (ZA)	21 621	1.4	21 621	1.4
New Oriental Education & Technology ADR (CN)	6 016	0.4	6 016	0.4
NIO (CN)	1 193	0.1	1 193	0.1
Pinduoduo (CN)	2 691	0.2	2 691	0.2
Robinson (TH)	431	0.0	431	0.0
Shenzhen International (CN)	3 147	0.2	3 147	0.2
Shinsegae (KR)	1 745	0.1	1 745	0.1
TAL Education Group (CN)	4 963	0.3	4 963	0.3
Tatung (TW)	1 508	0.1	1 508	0.1
The Foschini Group (ZA)	145	0.0	145	0.0
Trip.com (CN)	5 369	0.3	5 369	0.3
Truworths International (ZA)	637	0.0	637	0.0
Vipshop (CN)	2 348	0.2	2 348	0.2
Woolworths (ZA)	313	0.0	313	0.0
Yum China (CN)	5 753	0.4	5 753	0.4
Zhongsheng Group (CN)	1 725	0.1	1 725	0.1
Oil & gas	212 506	13.7	212 506	13.7
Energy Absolute (TH)	6 463	0.4	6 463	0.4
	6 463	0.4	6 463	0.4
Commodities				
Anglo Platinum (ZA)	1 616	0.1	1 616	0.1
China Molybdenum (CN)	3 491	0.2	3 491	0.2
Cia De Minas Buenaventur (PE)	6 658	0.4	6 658	0.4
Gold Fields (ZA)	1 029	0.1	1 029	0.1
Hanwha Solutions (KR)	5 095	0.3	5 095	0.3
Indorama Ventures (f) (TH)	3 926	0.3	3 926	0.3
Industrias Penoles (MX)	1 487	0.1	1 487	0.1
Klaben (BR)	9 948	0.6	9 948	0.6
Korea Zinc (KR)	4 469	0.3	4 469	0.3
Kumba Iron Ore (ZA)	10 747	0.7	10 747	0.7
Kumho Petro Chemical (KR)	4 091	0.3	4 091	0.3
LG Chemical (KR)	4 305	0.3	4 305	0.3
Lotte Chemical (KR)	4 723	0.3	4 723	0.3
Mimmetals Resources (AU)	5 836	0.4	5 836	0.4
Phosagro PJSC GDR (RU)	12 458	0.8	12 458	0.8
Polvus Gold GDR (RU)	9 086	0.6	9 086	0.6
Suzano Papel e Celulose (BR)	7 987	0.5	7 987	0.5
	96 952	6.3	96 952	6.3
Socially beneficial goods & services				
Agua Andinas (CL)	5 881	0.4	5 881	0.4
BCPG (TH)	5 911	0.4	5 911	0.4
Beijing Enterprises Water (HK)	871	0.1	871	0.1
Canvest Environmental Protection Group (HK)	6 717	0.4	6 717	0.4
China Everbright Greentech Interim (HK)	6 140	0.4	6 140	0.4
Huaneng Renewables (CN)	5 846	0.4	5 846	0.4
Inversiones Aguas Metropolitanas (CL)	6 312	0.4	6 312	0.4
Omega Geracao (BR)	6 399	0.4	6 399	0.4
Sabesp ON (BR)	409	0.0	409	0.0
	44 485	2.9	44 485	2.9
OTC derivative instruments				
AEE Asian Paints PFS EQ 201113 (IN) ⁶	185	0.0	12 422	0.8
AEE Aurobindo Pharma PFS EQ 201113 (IN) ⁶	7	0.0	734	0.0
AEE Avenue Supermarkets PFS EQ 201113 (IN) ⁶	-58	0.0	2 025	0.1
AEE Axis Bank PFS EQ 201113 (IN) ⁶	19	0.0	6 918	0.4
AEE Baja Auto PFS EQ 201113 (IN) ⁶	-34	0.0	2 632	0.2
AEE Bajaj Finance PFS EQ 201113 (IN) ⁶	24	0.0	1 537	0.1
AEE Bharti Airtel PFS EQ 201113 (IN) ⁶	112	0.0	4 169	0.3
AEE Bosch PFS EQ 201113 (IN) ⁶	7	0.0	1 222	0.1
AEE Britannia Industries PFS EQ 201113 (IN) ⁶	-26	0.0	1 145	0.1
AEE Cipla PFS EQ 201113 (IN) ⁶	24	0.0	1 111	0.1
AEE Dabur India PFS EQ 201113 (IN) ⁶	-22	0.0	1 672	0.1
AEE Divi's Laboratories PFS EQ 201113 (IN) ⁶	-12	0.0	1 485	0.1
AEE Eicher Motors PFS EQ 201113 (IN) ⁶	48	0.0	1 716	0.1

Financial instruments	Market value SEK '000	% of fund	Exposure, SEK '000	% of fund
AEE Godrej Consumer Products PFS EQ 201113 (IN) ⁶	-1	0.0	1 978	0.1
AEE Havells India PFS EQ 201113 (IN) ⁶	-1	0.0	1 715	0.1
AEE HCL Technologies PFS EQ 201113 (IN) ⁶	34	0.0	3 380	0.2
AEE Hero Motocorp PFS EQ 201113 (IN) ⁶	106	0.0	2 175	0.1
AEE Hindustan Unilever PFS EQ 201113 (IN) ⁶	-259	0.0	8 988	0.6
AEE Housing Development Finance PFS EQ 201113 (IN) ⁶	-181	0.0	11 629	0.8
AEE ICICI Bank PFS EQ 201113 (IN) ⁶	-61	0.0	4 939	0.3
AEE ICICI Lombard General Insurance 201113 (IN) ⁶	29	0.0	1 433	0.1
AEE Infosys Technologies PFS EQ 201113 (IN) ⁶	-61	0.0	10 080	0.7
AEE Lic Housing Finance PFS EQ 201113 (IN) ⁶	-7	0.0	261	0.0
AEE Lupin PFS EQ 201113 (IN) ⁶	5	0.0	1 087	0.1
AEE Marico PFS EQ 201113 (IN) ⁶	59	0.0	2 182	0.1
AEE Maruti Suzuki EQ 201113 (IN) ⁶	79	0.0	5 084	0.3
AEE Mitherson Sumi Systems PFS EQ 201113 (IN) ⁶	33	0.0	1 459	0.1
AEE Nestle India PFS EQ 201113 (IN) ⁶	116	0.0	3 316	0.2
AEE Page Industries PFS EQ 201113 (IN) ⁶	50	0.0	1 160	0.1
AEE Pi Ramal Health Care PFS EQ 201113 (IN) ⁶	-103	0.0	1 038	0.1
AEE Rural Electrification PFS EQ 201113 (IN) ⁶	26	0.0	956	0.1
AEE Shriram Transport Finance PFS EQ 201113 (IN) ⁶	41	0.0	670	0.0
AEE State Bank Of India PFS EQ 201113 (IN) ⁶	-20	0.0	3 566	0.2
AEE Tata Consultancy PFS EQ 201113 (IN) ⁶	-94	0.0	9 607	0.6
AEE Tech Mahindra PFS EQ 201113 (IN) ⁶	-67	0.0	2 398	0.2
AEE Titan Industries PFS EQ 201113 (IN) ⁶	49	0.0	2 754	0.2
AEE United Phosphorus PFS EQ 201113 (IN) ⁶	112	0.0	4 121	0.3
AEE Wipro PFS EQ 201113 (IN) ⁶	-12	0.0	3 114	0.2
AEE Yes Bank PFS EQ 201113 (IN) ⁶	-8	0.0	357	0.0
AEE Zee Entertainment Enterprises PFS EQ 201113 (IN) ⁶	48	0.0	1 389	0.1
BTS Group Holding WTS-4 291119 ⁹	0	0.0	0	0.0
FXFwd-EUR/SEK-20200326 ⁸	-19	0.0	-19	0.0
FXFwd-EUR/SEK-20200326 ⁸	-33	0.0	-33	0.0
FXFwd-HKD/SEK-20200326 ⁸	27	0.0	27	0.0
FXFwd-HKD/SEK-20200326 ⁸	65	0.0	65	0.0
FXFwd-USD/SEK-20200326 ⁸	513	0.0	513	0.0
FXFwd-USD/SEK-20200326 ⁸	-308	0.0	-308	0.0
FXFwd-USD/SEK-20200326 ⁸	431	0.0	129 866	8.4
Total financial instruments with positive market value	1 414 054	91.3		
Total financial instruments with negative market value	-1 387	-0.1		
Total financial instruments	1 412 666	91.2		
Net other assets and liabilities	135 855	8.8		
Fund assets	1 548 522	100.0		
Holdings and positions in financial instruments			% av	fund
Transferable securities that are admitted to trading on a regulated market or an equivalent market outside the EES				91.2
¹ Other financial instruments that are registered for trading on a regulated market or an equivalent market outside the EES.				-
² Transferable securities which are subject to regular trading in any other market that is regulated and open to the general public.				-
³ Other financial instruments which are subject to regular trading in any other market that is regulated and open to the general public.				-
⁴ Other transferable securities that within one year from issue are intended to be admitted to trading on a regulated market or an equivalent market outside the EES.				-
⁵ Transferable securities that within one year from issue are intended to be subject to regular trading in any other market that is regulated and open to the general public.				-
⁶ Other financial instruments.				0.0
Risk and reward profile			191231	
Active share, %				56.4
External comparison			191231	
Morningstar fund category				Emerging markets
Costs			191231	
Ongoing charges, %				0.51
- Share class A				
Turnover			191231	
Turnover rate, times/year				0.0
Derivative instrument			191231	
Highest derivative gross exposure, %				36.6
Lowest derivative gross exposure, %				15.1
Average derivative gross exposure, %				32.1

Trading of financial instruments	191231
Turnover through affiliated securities institutions, %	14.1
Turnover through funds managed by Swedbank Robur Fonder AB, %	0.0

Rounding differences can occur.
See the definitions in the glossary at swedbank.se/fonder
* Based on 12 months running.
Certain values could not be calculated due to the fund's short history.
Ongoing charges is an estimate since the fund started in 2019.

Counterparties to OTC derivative instruments

Citigroup, BofA Securities Europe SA, Swedbank AB.

Balance sheet

Assets, SEK '000	191231	181231
Negotiable securities	1 412 236	0
OTC Derivative instrument with positive market value	1 818	0
Total financial instruments with positive market value	1 414 054	0
Bank balance and other cash assets	133 074	0
Prepaid expenses and accrued income	494	0
Other Assets	2 568	0
Total Assets	1 550 190	0

Liabilities, SEK '000	191231	181231
OTC Derivative instrument with negative market value	1 387	0
Total financial instruments with negative market value	1 387	0
Accrued costs and prepaid income	281	0
Total liabilities	1 669	0
Fund assets	1 548 522	0

Memorandum items, SEK '000	191231	181231
Received collateral for OTC derivative instruments	1 046	-

Income statement

Income and change in value, SEK '000	191231	181231
Change in value of negotiable securities	43 229	0
Value changes on OTC derivative instruments	186	0
Change in value of other derivative instruments	10 455	0
Interest income	648	0
Dividends	3 316	0
Net foreign exchange profits and losses	-9 573	0
Other income	25	0
Total income and change in value	48 286	0

Costs, SEK '000	191231	181231
Management costs	950	0
Interest cost items	188	0
Other costs	1 216	0
Total Costs	2 354	0
Profit/loss for the year	45 932	0

Change of fund assets, SEK '000	191231
Fund assets at the beginning of the year	0
Unit issuance	1 504 365
Unit redemption	-1 775
Loss for the year according to the income statement	45 932
Fund assets at the end of the year	1 548 522

The item Other costs includes transaction costs of SEK '000 1 212. The amount is significant in relation to total costs but not abnormal as the fund was launched in 2019.

Sustainability information

The fund excludes

The fund does not invest in companies that have operations in the following products and services. A maximum five percent of turnover in the company where investment is made can concern business activities that are related to the stated products and services.

Products and services

Cluster bombs, landmines

The fund company's comments:
0 %. Pertains to both production and distribution.

Chemical and biological weapons

The fund company's comments:
0 %. Pertains to both production and distribution.

Nuclear weapons

The fund company's comments:
0 %. Pertains to both production and distribution.

Weapons and/or munitions

The fund company's comments:
Weapons: 0 %. Munitions: 5 %. Pertains to both production and distribution.

Alcohol

The fund company's comments:
5 %. Pertains to both production and distribution.

Tobacco

The fund company's comments:
5 %. Pertains to both production and distribution.

Commercial gaming operations

The fund company's comments:
5 %. Pertains to both production and distribution.

Pornography

The fund company's comments:
Production: 0 %. Active distribution: 5 %.

Fossil fuels (oil, gas, coal)

The fund company's comments:
Production of fossil fuels: 0 %. Distribution (electricity generation): 5 % of sales from electricity generation from coal, oil and gas.

International standards

The fund avoids investing in companies involved in violations of international norms and conventions with regard to the environment, human rights, working conditions and business ethics, e.g. the UN Global Compact and OECD's guidelines for multinational companies.

The fund avoids investing in all identified companies that do not comply with international norms.

The fund company's comments:
The fund invests in equities and other equity-related negotiable securities issued by companies that respect the principles in international standards on human rights and the environment. This means, among other things, that companies in their activities work for good working conditions, good working environment, trade union rights and do not accept discrimination or child labour. Companies must engage in environmental work relevant to their sectors and must work on environmental risks and opportunities.

Companies where the fund does not see a willingness to change or where the fund assesses that the companies will not rectify problems during an acceptable time horizon are not approved for investment.

Countries

For sustainability reasons, the fund does not invest in companies that are involved in certain countries/interest-bearing securities issued by certain states.

Other

Other

The fund company's comments:
The above is applicable for direct investments in companies and equity derivatives in companies but does not apply for investments in index derivatives or exchange-traded funds (ETFs).

The fund company influences

The fund company uses its ownership to influence companies in sustainability issues.

The fund company has contact with companies in order to influence them in a more sustainable direction.

Direct company influence

Fund company's comments:

We have a total of 9 internal specialists in sustainability and corporate governance. The specialists conduct an ongoing dialogue with different companies and/or issuers to influence them to be more sustainable and to move them in a positive direction. The fund managers are also involved in the advocacy work.

Company influence in cooperation with other investors

Fund company's comments:

We encourage advocacy within the framework of PRI (UN's policies for responsible investments) and together with other investors in an unsolicited manner.

Company influence through external suppliers/consultants

Fund company's comments:

Impact is gained through 2 external suppliers: ISS-Ethix and Sustainalytics Engagement Service.

Voting at annual general meetings

Fund company's comments:

Participates in election committees to influence the composition of the Board of Directors

Fund company's comments:

Other types of company influence

Fund company's comments:

Monitoring of sustainability work

The fund has selected

Ten per cent of the fund is invested in so-called impact companies (companies with activities that contribute to a better climate, for example by contributing to the transition to renewable energy and to a circular economy). The fund strives however to imitate the character of its index in its composition and therefore makes no further active selections.

The fund has excluded

The fund refrains from investing in companies that violate international standards and companies with links to controversial products and/or activities (weapons, armaments, alcohol, tobacco, gambling and pornography). The fund also excludes companies with fossil fuel operations. In addition to these, exclusions are also made of companies with the worst sustainability work. The fund excludes a significant share of companies in the index. Daily checks have been carried out during the period to ensure that the fund has not invested in companies that engage in activities that the fund, for reasons of sustainability, should exclude. The fund strives to imitate the character of its index in its composition.

The fund company has influenced

Throughout 2019, Swedbank Robur has conducted dialogues with 3 companies regarding sustainability and corporate governance. Swedbank Robur has also conducted dialogues with 9 companies through suppliers and collaborations. Examples of dialogues with regard to sustainability have taken place with Samsung Electronics concerning business ethics and Sime Darby Plantation concerning human rights. These dialogues aim to improve both the sustainability and profitability of the companies and to prevent and reduce serious consequences for people and the environment.

A complete list of the companies the sustainability team has been in contact with and the general meetings and/or nomination committees that Swedbank Robur has participated in can be found under "Ågarstyrning" ("Owner governance") at swedbankrobur.se/agarstyrning.html.

Additional information for transactions for financing of securities and total return swaps

According to EU 2015/2365 Paragraph 13:

Besides total return swaps the fund has not had any other securities financing transactions. Settlement and clearing takes place for all total return swaps with a bilateral counterpart. Pledged collateral is maintained in separated accounts. Received collateral for total return swaps is only received as cash equivalents in EUR. Received collateral is not re-used

Volume asset	Amount, SEK '000	% of fund
Total return swaps	129 621	8.4

Period profile	Amount, SEK '000
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Total return swaps	
< 1 day	-
1 - 7 days	-
7 days - 1 month	-
1 - 3 months	-
3 - 12 months	129 621
> 12 months	-
No set period	-

10 most prominent counterparties and country where the counterparty is based	Gross volume, SEK '000
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Total return swaps:	
Citigroup, England	129 621

10 largest issuers of securities	Amount, SEK '000
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European Central Bank	-36
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Period profile of security	Amount, SEK '000
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Total return swaps	
< 1 day	-36
1 - 7 days	-
7 days - 1 month	-
1 - 3 months	-
3 - 12 months	-
> 12 months	-
No set period	-

Deposit of securities received	Amount, SEK '000
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Citigroup	-36
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All received collateral relating to total return swaps is held in a client omnibus account, which is held separately from Citigroup assets

Information on return and costs	Amount, SEK '000	% of total return
Total return swaps		
Net return Fund	85	40.0
Fees to fund company	-	0.0
Fees to Third party	127	60.0

Description of benchmark index

The fund's benchmark index is a relevant reference in relation to the fund's investment focus, asset classes, markets, and in cases where it is relevant, sectors. The benchmark index's returns include dividends and consideration of tax effects (net dividend).

Risk assessment method

The fund company measures daily the total exposure of the fund using the commitment approach. The commitment approach calculates the fund's global exposure from using derivatives. This calculation involves converting derivative positions into a comparable position in the underlying assets of the derivative. Få delta calculation is also done for options and similar. When calculating total exposure, the fund company considers netting and hedging.

Portfolio risks

Aktiefonder ger normalt störst möjlighet till hög värdetillväxt på lång sikt. Men en placering i en aktiefond innebär också en högre risk, eftersom kurserna kan svänga kraftigt på aktiemarknaden. Materiella risker i fonden som inte fullt ut avspeglas i risk- och avkastningsindikatorn är:

- Legal risks – The financial and legal systems may function poorly. Accounting principles, reliability and quality of corporate information as well as market liquidity in individual equities do not reach levels comparable to more developed markets.
- Political and social conflicts can also impact the economic process, which can cause significant price fluctuations on the market.
- Liquidity risk – Liquidity in individual equities may be low, which may in some situations lead to high price fluctuations.
- Currency risk – The fund invests in securities denominated in currencies other than Swedish kronor and is therefore affected by currency exchange rate changes.
- As derivatives are used to a small extent in the fund, this affects the risk profile of the fund to a certain degree.

Withholding tax

There is some uncertainty in various countries as to the tax that Swedish funds should pay on dividends on foreign shares. Swedbank Robur monitors developments in each individual country and reports and pays taxes according to the prevailing view at any given time. The assessment in different countries may change and Swedbank Robur will adjust the accounting and payment according to current practice. Swedbank Robur's view is that in most cases the fund is entitled to a reduction as per agreement, internal local law or EU law

Remuneration policy

The board of directors of the fund company has adopted a remuneration policy that is consistent with and promotes sound and efficient risk management. The fund company's remuneration policy is also structured to counter risk taking that is incompatible with the risk profiles of the funds managed by the fund company. The remuneration policy always aims to counter excessive risk taking and stimulate employees to delivery sustainable performances.

The remuneration system consists of two variable remuneration programmes, in addition to fixed remuneration in the form of monthly salary in cash. The variable remuneration programme, "Eken", is group wide and the individual performance and fund share based remuneration programme, "IPAM", was introduced in 2017 specifically for Robur as the regulatory framework for fund companies differs from the regulatory framework that is applied within the group in general. The fixed portion of remuneration represents a sufficiently large portion of total remuneration to enable setting all variable remuneration to nil. Variable remuneration can be payable up to a maximum of 12 times the fixed monthly salary.

Eken is a general performance and share based remuneration programme and in principle, covers all employees within the Swedbank Group, however not all employees within the fund company, and consists of deferred earnings in the form of shares in Swedbank AB (publ). IPAM covers 56 employees in the fund company. IPAM consists of both cash and fund shares. 60 % of variable remuneration is paid immediately after the year the performance relates to, of which 50 % is paid in fund shares and 50 % in cash. 40 % of remuneration is deferred as below, of which 50 % is paid in fund shares and 50 % in cash. Fund shares (including deferred fund shares) are locked in and cannot be sold for one year after being allocated.

The deferral period should reflect the recommended holding period that is stated in the fund factsheet, however, minimum 3 years.

- For funds with a 3-year recommended holding period, the deferred element is to be paid after 3 years, without any pro rata.
- For funds with a 5-year recommended holding, the deferred element is to be paid over 5 years via a pro rata division (and allocated over this time as deferred remuneration) where the first payment of cash and transfer of fund shares are first done one year after the time the variable remuneration was resolved.

The remuneration programme is structure to avoid, as far as possible, any conflicts of interest arising. Every portfolio manager is monitored and assessed based on all management assignments. The variable remuneration system is followed up and monitored continually. The variable remuneration aims to stimulate sound behaviour and desired results, and to create a healthy balance between reward and risk exposure in the fund.

When structuring employee targets, consideration is given to the risk profile in the funds the employee manages, the benchmark index and investment horizon. These targets are measurable, clear and transparent. The targets also include how well the employee lives up to company values (open, simple and considerate).

Variable remuneration is based on the performance of the individual, which is evaluated against performance criteria that are set at the start of each calendar year. The evaluation is based on a combination of quantitative and qualitative results. A prerequisite is that the financial targets are met. Information on remuneration in line with the Swedish Financial Supervisory Authority regulations on securities funds (FFFS 2013:9) and regulations on managers of alternative investment funds (FFFS 2013:10), please see the fund company website

Remuneration amount

The combined remuneration amount paid was SEK 180 528 769, of which SEK 18 172 738 relates to variable remuneration paid. This remuneration covers all 238 employees.

The combined remuneration amount paid to the company's executive management, employees that have a material influence on the risk profiles of the fund company/funds and that are responsible for control functions, specially regulated personnel (SRS), 67 persons, during the year amounted to SEK 79 562 329 excluding pension costs, of which risk takers: SEK 62 721 995 leading strategic posts: SEK 14 967 361 plus control functions: SEK 1 672 973

Accounting principles

This Annual Report has been produced in accordance with the Swedish Securities Funds Act (2004:46), the Swedish Financial Supervisory Authority's regulations, FFFS 2013:9 ESMA's guidelines, and takes into account the guidelines for reporting key ratios of securities funds and special funds issued by the Swedish Investment Fund Association.

Valuation principles

The funds financial instruments including liabilities and derivatives are valued at market value equivalent to the closing price on the closing day (2019-12-31). If the closing day is not a trading day, the valuation from the last trading day prior to the closing day is used. If the valuation cannot be obtained or is misleading as so deemed by the fund company, valuation may be made according to generally accepted valuation principles.

Auditors' report

To the share owners in the Swedbank Robur Access Edge Emerging Markets.

Annual report

Statements

As auditors of Swedbank Robur Fonder AB, company number 556198-0128, we have performed an audit on the annual report for the Swedbank Robur Access Edge Emerging Markets for the year 2019, except for the sustainability information under the headings Sustainability information and Monitoring of sustainability initiatives.

In our view, the annual report has been produced in accordance with the Securities Funds Act and the Swedish Financial Supervisory Authority regulations on securities funds and provides, in all material respects, a true picture of Swedbank Robur Access Edge Emerging Markets' financial position as of 31 December 2019 and of its financial results for the year, in accordance with the Securities Funds Act and the Swedish Financial Supervisory Authority regulations on securities funds. Our statements do not cover the sustainability information under the headings Sustainability information and Monitoring of sustainability initiatives.

Grounds for the statements

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility according to these standards has been described in more detail in the section relating to the Auditor's responsibilities. We are independent in relation to the fund management company in accordance with good accounting practice in Sweden and have otherwise fulfilled our professional and ethical responsibilities in accordance with these requirements.

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

Other information

The audit of the annual report for the financial year 2018 has been carried out by another auditor who submitted an audit report dated 5 March 2019 with unmodified statements in the Annual Report.

Fund company responsibility

The fund company is responsible for producing the annual report and that it presents a true picture in accordance with the Investment Funds Act and the Swedish Financial Supervisory regulations on securities funds. The fund company is also responsible for internal checks that it assesses as necessary to produce an annual report that does not contain any material misstatements, either due to irregularities or errors.

Auditor responsibility

Our aim is to achieve a reasonable degree of certainty that the annual report as a whole does not contain any material misstatements, whether due to irregularities or errors, and to submit an auditor's report that contains our statements. Reasonable assurance is a high degree of certainty, but there is no guarantee that an audit performed in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement, if such exists. Inaccuracies can arise due to irregularities or errors and are considered to be important if they individually or together can reasonably be expected to affect the financial decisions that users make on the basis of the annual report.

As part of an audit as per ISA, we use professional judgement and adopt a professionally sceptical attitude throughout the audit. In addition:

- We identify and assess the risks of material misstatement in the annual report, whether due to irregularities or errors; we design and carry out audit procedures, based on these risks etc., and obtain audit evidence that is sufficient and appropriate to provide a basis for our statements. The risk of not discovering a material misstatement due to irregularities is greater than for a material misstatement due to errors, as irregularities can include actions in collusion, falsification, deliberate omissions, the provision of incorrect information or a breach of internal controls.
- We acquire an understanding of the part of the fund company's internal controls that is of importance for our audit in order to design audit procedures that are appropriate in respect of the circumstances, but not to express an opinion on the effectiveness of internal controls.
- We evaluate the appropriateness of the accounting principles used and the reasonableness of the fund company's estimates in the accounts and associated information.
- We evaluate the general presentation, structure and content of the annual report, including the information, and whether the annual report reflects the underlying transactions and events in a way that gives a true picture.

We are required to notify the fund company of the scope of the planned audit and orientation and the time for this. We are also required to provide notification of significant observations during the audit, including any material failings in internal controls we have identified.

Auditor comments on the statutory sustainability information

The fund company is responsible for the sustainability information under the headings Sustainability information and Monitoring of sustainability initiatives and for it being produced in accordance with the Securities Funds Act.

Our review of the sustainability information for the fund has been based on the guidance in appropriate cases of the FAR statement RevR 12 Auditor's statement on the statutory sustainability report. This means that our review of the sustainability information has a different focus and is substantially limited in scope compared to the focus and scope of an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practice in Sweden. We believe that our audit gives us reasonable grounds for our statement.

Sustainability information can be found in the Annual Report.

Stockholm, 03 March 2020
PricewaterhouseCoopers AB

Peter Nilsson,
Certified Public Accountant
Auditor in charge

Martin Welén,
Certified Public Accountant
Stockholm den 03 mars 2020
PricewaterhouseCoopers