

Access Japan

Swedbank Robur Access Japan

ISIN: SE0007074091

Investment policy

Access Japan is an equity fund which invests in companies across a range of industries in Japan. The objective is to emulate as far as possible the development of the MSCI Japan Net index, which is a market value index consisting of 300 large and medium-sized companies on the Japanese equity market. The management of the fund is index-oriented and strives to emulate the composition of its index. However, differences in performance between the fund and index are expected to arise as the fund complies with the fund company's policy for 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. Read more in the fund's investment prospectus. The fund does not normally distribute dividends, profits are re-invested in the fund.

Fund performance

In 2018, the fund decreased by -5.8%. The benchmark index declined -5.7% during the same period. The management of the fund is index-oriented and strives to emulate the composition of its index. Differences between the fund and index are expected because the equity included in the index may be excluded because it does not meet requirements in line with the policy or the fund's deepened sustainability initiatives. During the period, these exclusions are considered to have had only a marginal impact on the fund's performance. 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 index, due to the fund's 0.20% management fee.

Market performance

The Japanese equity market started off strong in 2018 but then turned. After having started the year at a 26-year high, the stock market fell by over 15% in Japanese yen at the end of the period, which turned out to be significantly less in SEK (just under 6%). The best sectors in Japan during the year were the less cyclically sensitive Healthcare and Consumption, staples. The worst sectors were IT and Raw Materials. In recent years, Japanese companies have become more focussed on profitability and capital efficiency. The profit margin before tax has gradually risen from 2.3% in 1991 to 5.4% in 2017 to reach 7.7% in the quarter April-June 2018 (Q2). Return on equity also shows a rising trend, partly related to external factors.

Other

During the period the fund used derivatives on a small scale. On 1 January 2019, Ulrika Ersson assumed the role as new co-manager.

Managers: Johan Andreasson/ Joakim Celinder/ Linnea Zanetti/ Ulrika Ersson

Fund company: Swedbank Robur Fonder AB

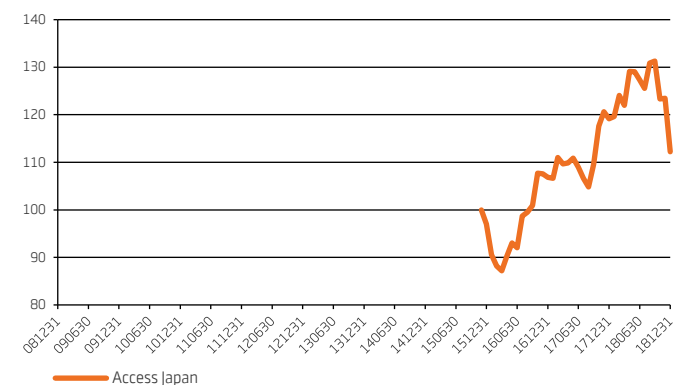
Fund type: Equity funds

Start date: 2015-10-08

Benchmark index: MSCI Japan Net



Performance



Fund's top 5 holdings	Exposure, SEK '000	% of fund
Toyota Motor	114,816	4.4
Sony	54,400	2.1
Mitsubishi UFJ Financial	49,882	1.9
Softbank	46,870	1.8
Keyence	42,294	1.6

Risk and reward profile	181231
Standard deviation fund, %	12.3
Standard deviation benchmark index, %	12.3
Active share, %	13.9
Tracking error, %	0.3
Average annual yield 2 years, %	2.5

External comparisons	181231
Morningstar fund category	Mstar Japan
Morningstar fund rating	4 of 5

Costs	181231
Management fee, as a percentage of average fund assets*	0.20
Transaction costs, SEK '000*	692
Transaction costs, as a percentage of traded securities*	0.01
Annual fee, %	0.20
Management fee in SEK, Savings amount 10,000 SEK*	21
Management fee in SEK, Savings amount 100/month*	1.31

Turnover	181231
Turnover rate, times/year	0.1

Derivative instrument	181231
Highest derivative gross exposure, %	18.8
Lowest derivative gross exposure, %	3.9
Average derivative gross exposure, %	9.6

Trading of financial instruments	181231
Turnover through affiliated securities institutions, %	3.9
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.

Financial instruments	Market value, SEK '000	% of fund	Exposure, SEK '000	% of fund
Tohoku Electric Power (IP)	5,800	0.2	5,800	0.2
Tokyo Gas (IP)	9,999	0.4	9,999	0.4
	60,959	2.4	60,959	2.4
OTC Derivative instrument				
AJA Acom PFS EQ 210110 (IP) ⁶	-72	0.0	599	0.0
AJA Alps Electric PFS EQ 210110 (IP) ⁶	-187	0.0	1,363	0.1
AJA Asics PFS EQ 210515 (IP) ⁶	-112	0.0	738	0.0
AJA Cyberdyne PFS EQ 210110 (IP) ⁶	-20	0.0	63	0.0
AJA Isetan Mitsukoshi PFS EQ 210515 (IP) ⁶	-96	0.0	1,826	0.1
AJA Japan Post Bank PFS EQ 210515 (IP) ⁶	-114	0.0	2,708	0.1
AJA Konica Minolta PFS EQ 210110 (IP) ⁶	-59	0.0	1,364	0.1
AJA Line PFS EQ 210515 (IP) ⁶	32	0.0	824	0.0
AJA Mitsubishi Motors PFS EQ 210515 (IP) ⁶	-204	0.0	1,946	0.1
AJA Nippon Paint PFS EQ 210110 (IP) ⁶	-10	0.0	1,823	0.1
AJA Sharp PFS EQ 210110 (IP) ⁶	-126	0.0	503	0.0
AJA Sumco PFS EQ 210515 (IP) ⁶	-235	0.0	1,309	0.1
AJA Takeda Pharmaceutical PFS EQ 210515 (IP) ⁶	-217	0.0	12,185	0.5
AJA Toray Industries PFS EQ 210515 (IP) ⁶	-414	0.0	5,808	0.2
AJA Toyota Motor PFS EQ 210110 (IP) ⁶	0	0.0	1	0.0
AJA Yahoo Japan PFS EQ 210110 (IP) ⁶	-221	0.0	1,406	0.1
AJA Yamada Denki PFS EQ 210110 (IP) ⁶	-14	0.0	1,205	0.0
AJA Yaskawa Electric PFS EQ 210515 (IP) ⁶	-592	0.0	3,314	0.1
FXFwd-EUR/SEK-20190328 ⁶	117	0.0	117	0.0
FXFwd-EUR/SEK-20190328 ⁶	95	0.0	95	0.0
FXFwd-JPY/SEK-20190328 ⁶	-348	0.0	-348	0.0
FXFwd-USD/JPY-20190328 ⁶	950	0.0	950	0.0
FXFwd-USD/SEK-20190328 ⁶	54	0.0	54	0.0
FXFwd-USD/SEK-20190328 ⁶	-1,824	-0.1	-1,824	-0.1
FXFwd-USD/SEK-20190328 ⁶	-54	0.0	-54	0.0
	-3,649	-0.1	37,975	1.5
Other derivative instruments				
MSCI Japan Net Index Future 15/03/2019 ⁹	0	0.0	16,243	0.6
OMXSESG Index Future 07-03-2019 ⁹	0	0.0	-2,414	-0.1
	0	0.0	13,829	0.5
Total financial instruments with positive market value	2,543,765	98.1		
Total financial instruments with negative market value	-4,906	-0.2		
Total financial instruments	2,538,859	97.9		
Net other assets and liabilities	53,254	2.1		
Fund assets	2,592,113	100.0		

Holdings and positions in financial instruments	% of fund
Negotiable securities that are admitted to trading on a regulated market or an equivalent market outside the EEA.	98.1
¹ Other financial instruments that are registered for trading on a regulated market or an equivalent market outside the EEA.	0.0
² Negotiable 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 negotiable securities that within one year from issue are intended to be admitted to trading on a regulated market or an equivalent market outside the EEA.	-
⁵ Negotiable 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.	-0.1

Counterparties to OTC derivative instruments

Citigroup Global Markets Limited, Danske Bank A/S, Nordea Bank Abp, Skandinaviska Enskilda Banken AB, Svenska Handelsbanken AB

Company and Group exposure

Company/Group	% of fund
Toyota Motor Corporation	4.4
Takeda Pharmaceutical Co Ltd	1.6
Toray Industries, Inc.	0.4
Yahoo Japan Corporation	0.3
Yaskawa Electric Corporation	0.2
NIPPONPAINT Co., Ltd.	0.2
ALPS Electric Co., Ltd.	0.2
Konica Minolta Holdings, Inc.	0.2
Isetan Mitsukoshi Holdings Ltd.	0.1
Mitsubishi Motors Corporation	0.1
SUMCO Corporation	0.1
Yamada Denki Co., Ltd.	0.1
Naver Corporation	0.1
ASICS Corporation	0.1
Sharp Corporation	0.1

Balance sheet

Assets, SEK '000	31/12/2018	31/12/2017
Negotiable securities	2,542,508	1,148,561
OTC derivative instruments with positive market value	1,257	1,298
Total financial instruments with positive market value	2,543,765	1,149,859
Bank balance and other cash assets	49,934	81,819
Prepaid expenses and accrued income	4	0

Assets, SEK '000	181231	171231
Other assets	3,428	983
Total assets	2,597,131	1,232,661
Liabilities, SEK '000	181231	171231
OTC derivative instruments with negative market value	4,906	2,631
Total financial instruments with negative market value	4,906	2,631
Accrued costs and prepaid income	112	14
Total liabilities	5,018	2,645
Fund assets	2,592,113	1,230,016
Memorandum items, SEK '000	181231	171231
Securities pledged for OTC derivative instruments	2,591	1,350
Securities pledged for other derivative instruments	901	3,407

Income statement

Income and change in value, SEK '000	181231	171231
Change in value of negotiable securities	-259,484	67,248
Value changes on OTC derivative instruments	-13,018	132
Change in value of other derivative instruments	-14,472	15,128
Interest income	114	38
Dividends	50,908	14,819
Net foreign exchange profits and losses	8,563	-5,015
Other income	30	0
Total income and change in value	-227,360	92,350

Costs, SEK '000	181231	171231
Management costs	5,004	1,740
Interest costs	657	366
Other financial costs	15	6
Other costs	692	218
Total costs	6,368	2,329
Loss/profit for the year	-233,728	90,021

Change of fund assets, SEK '000	181231
Fund assets at the beginning of the year	1,230,016
Unit issue	2,241,741
Unit redemption	-645,916
Loss for the year according to the income statement	-233,728
Fund assets at the end of the year	2,592,113

Sustainability information

- Sustainability aspects are taken into account in the management of the fund
- Sustainability aspects are not taken into account in the management of the fund

Sustainability aspects taken into account in the management of the fund

- Environmental aspects (e.g. companies' impact on the environment and climate)
- Social aspects (e.g. human rights, workers' rights and equal treatment)
- Corporate governance aspects (e.g. shareholders' rights, questions regarding remuneration to senior executives and anti-corruption measures)
- Other sustainability aspects

Methods used in the sustainability work

- The fund selects**
- Sustainability aspects are crucial for the fund management's choice of companies
- The fund has specific and express criteria for selecting companies based on environment, social and business ethics issues. Analysis of the companies' work on sustainability is crucial when choosing companies for the fund.
- Fund managers take into account sustainability issues
- Sustainability aspects are considered in financial company analyses and investment decisions, which has a weighting but does not have to be crucial as to which companies are selected for the fund.

Other

- Other method applied by the fund when selecting

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, land mines
- 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%.

- Other
- The fund company's comments: The fund does not invest in companies whose turnover consists of over 30 percent coal production. A list of excluded companies is available at swedbankrobur.se

International norms

The fund avoids investing in companies that are involved in breaches of international standards and conventions concerning the environment, human rights, working conditions and business ethics, e.g. the UN Global Compact and OECD 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 influence

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

The fund company's comments:

We have a total of nine internal specialists in sustainability and owner governance. The fund managers and fund company board are also involved.

- Company influence in cooperation with other investors

The fund company's comments:

We encourage advocacy within the framework of PRI (UN's policies for responsible investments) and together with other investors at our own initiative.

- Company influence through external suppliers/consultants

The fund company's comments:

Advocacy is done via two external suppliers: ISS-Ethix and GES Investment Services.

- Voting at annual general meetings

The fund company's comments:

In 2018, we voted at 8 general meetings in companies in this fund.

- Participates in election committees to influence the composition of the board

- Other types of company influence

Monitoring of sustainability work

The fund has selected

The fund strives to emulate the composition of its index and as such does not make any active elections.

The fund has excluded

Swedbank Robur's analysis of controversial products and/or activities are an integral part of the investment process. The fund excludes a significant share of the 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 should exclude. Other than these, no further exclusions are made, since the fund strives to emulate the composition of its index.

The fund company has influenced

Swedbank Robur's sustainability analysts have had dialogues with 3 companies during the year. Examples of company dialogues with respect to sustainability are owner governance with KDDI and a general strategy with Nitto Denko. The dialogues aim to improve both sustainability and profitability of the companies and to prevent and reduce serious consequences for people and the environment.

Swedbank Robur has voted on behalf of the fund at 8 general meetings. A complete list of the companies the sustainability team has been in contact with and the general meetings and nomination committees that Swedbank Robur has participated in is available under "Ågarstyrning" ("Corporate governance") at swedbank.com/svenska/om-oss/dotterbolag/swedbank-robur/.

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

Enligt EU 2015/2365 Art. 13:

Other than total return swaps, the fund has not had any transactions for securities financing.

Settlement and clearing takes place for all total return swaps with a bilateral counterpart. Pledged securities are held in separated accounts. Securities received as collateral for total return swaps are only held as cash equivalents denominated in EUR. Securities received are not re-used.

Volume of assets	Amount, SEK '000	% of fund
Total return swaps	38,985	1.5

Maturity profile	Amount, SEK '000
Total return swaps	
< 1 day	-
1 - 7 days	-
7 days - 1 month	-
1 - 3 months	-
3 months - 1 year	-
> 1 year	38,985
Undefined maturity	-

10 most prominent counterparties and country where the counterparty is based	Gross volume, SEK '000
Total return swaps:	
Citigroup, England	38,985

10 largest issuers of collateral	Amount, SEK '000
European Central Bank	2,591

Maturity tenor of the collateral	Amount, SEK '000
Total return swaps	
< 1 day	2,591
1 - 7 days	-
7 days - 1 month	-
1 - 3 months	-
3 months - 1 year	-
> 1 year	-
Undefined maturity	-

Custody of the received collateral	Amount, SEK '000
Citigroup	2,591

All received collateral relating to total return swaps is held in a client omnibus account, which is held separately from Citigroup's assets.

Information on performance and charges	Amount, SEK '000	% of total returns
Total return swaps		
Net yield fund	-6	100.0
Fee to the fund company	-	0.0
Fee to the third party	0	0.0

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. A delta calculation is also done for options and similar. When calculating total exposure, the fund company considers netting and hedging.

Portfolio risks

Equity funds normally have higher potential for long-term value growth. Investment in equity funds also involves higher risk, as prices may fluctuate significantly in equity markets.

Material risks in the fund that are not fully reflected in the risk/return indicator are:

- Concentration risk. Concentration of investments in a single country (Japan) increases the fund's risk.
- Currency risk. The fund invests in securities denominated in currencies other than Swedish kronor, and are therefore affected by exchange rate fluctuations.
- As the derivatives are usually used on a small scale in the fund, this affects the fund's risk profile to a certain extent.

Remuneration policy

The Fund Company's Board has adopted a remuneration policy which is consistent with and promotes sound and effective 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 shall counteract excessive risk taking and encourage employees to deliver sustainable performance at any given time.

The remuneration system consists of two variable remuneration programmes, on top of fixed remuneration in the form of a 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 paid with a maximum of 12 fixed monthly salaries.

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 the variable remuneration is paid out directly after the performance year, consisting of 50% paid out in fund units and 50% in cash. 40% of remuneration is deferred as below, of which 50% is paid in fund units and 50% in cash. The fund units (including the withheld fund units) are locked and cannot be sold until one year after allocation.

The withholding period should reflect the recommended holding period that is shown in the fund's factsheet, thus at least 3 years.

- For funds with a 3-year holding recommendation, the withheld amount will be paid after 3 years, no pro rata.
- For funds with a 5-year holding recommendation, the withheld amount will be paid after 5 years through a pro-rata split (even split divided over the time that the remuneration was withheld), where the first cash payment and transfer of fund units may be made one year after the variable remuneration has been decided.

The remuneration programme is designed to ensure, to the greatest possible extent, avoiding conflicts of interest. Every portfolio manager is monitored and assessed based on all management assignments. The variable remuneration programme is continually followed and monitored. Variable remuneration is designed to stimulate sound behaviour and desired results, and to create a balance between rewards and risk exposure in the fund.

In designing the employees' objectives, consideration is taken of the risk profile of the funds the employee manages, the benchmark index and investment horizon. These targets are measurable, clear and transparent. These objectives include how the employee lives up to the company's values (simple, open and caring).

The variable remuneration is based on the employee's performance, which is assessed according to the performance criteria set at the beginning of every calendar year. This assessment rests on combination of quantitative and qualitative results.

Information on remuneration according to the provisions of the Swedish Financial Supervisory Authority on the Swedish Securities Funds Act (FFFS 2013:9) and provisions relating to Swedish fund managers of other investment funds (FFFS 2013:10) are published on the fund company's website.

Remuneration amount

The combined remuneration amount paid was SEK 196,139,137, of which SEK 32,373,260 relates to variable remuneration paid. The remuneration covers all 238 employees.

The total amount of remuneration paid out during the year to the company's senior management, employees who have a significant influence on the risk profiles of a fund company/funds and responsibility for control functions (SRS), around 56 people, amounted to SEK 97,967,616 excluding retirement pension costs, of which risk takers: SEK 76,427,982, leading strategic positions: SEK 19,646,082 and control functions: SEK 1,893,552.

Accounting policies

This Annual Report has been produced in accordance with the Swedish Investment Funds Act (2004:46), the Swedish Financial Supervisory Authority's regulations, FFFS 2013:9, and takes into account the guidelines for reporting key ratios of securities funds and special funds issued by the Swedish Investment Fund Association. The provisions of the Swedish Accounting Act are also applied where relevant. The management fee that is paid to the fund company covers costs for the custodial bank, supervisory authority and auditor.

Valuation principles

The funds financial instruments including liabilities and derivatives are valued at market value equivalent to the closing price on the closing day (31/12/2018). If the balance sheet date is not a trading day, prices from the last trading day prior to the balance sheet date are used. If a price cannot be obtained, or is misleading in the opinion of the fund company, valuation may be made on an objective basis according to generally accepted valuation principles.

Auditors' report

To share owners in the Swedbank Robur Access Japan.

Report on the annual report

Statement

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 Japan for the year 1 January 2018 - 31 December 2018, 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 Japan's financial position as of 31 December 2018 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 under 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 company in accordance with accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

We believe that our audit gives us reasonable grounds for the following statements.

Fund company responsibilities

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

Auditor's responsibility

Our aim is to achieve a reasonable degree of certainty on whether or not the annual report as a whole contains material misstatements, whether these are due to irregularities or errors, and to present an auditors' 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 error; 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 this review provides us with a sufficient basis for our opinion.

Sustainability information has been included in the Annual Report.

Stockholm 5 March 2019

Deloitte AB
Henrik Nilsson, Chartered Accountant