

Fastighet

Swedbank Robur Fastighet

Annual Report 2019

Managed by: Fredrik Mattsson
Fund company: Swedbank Robur Fonder AB
Fund type: Equity funds
Start date: 1988-10-03

Share classes open for trade: A
Benchmark: MSCI World Real Estate Net/Six Fastigheter Return/75/25

Risk and reward profile



Fund's top 5 holdings	Exposure, SEK '000	% of fund
American Tower	533 536	7.2
Fastighets Balder B	433 200	5.9
ProLogis	417 222	5.6
Sagax B	326 880	4.4
Hemfosa Fastigheter	242 600	3.3

Investment policy

Fastighet is an actively managed equity fund which primarily invests in companies oriented to the property sector, such as property companies, realtors and construction companies in Sweden and internationally. The fund also has the opportunity to invest in other companies that have predominantly real assets, such as forest and power companies. The fund has an investment strategy that focuses on the selection of companies within the above-mentioned investment policy. The fund has a long-term investment horizon and selects those companies that are considered to have an attractive valuation in relation to future earnings potential. The fund complies with the fund company's policy on responsible investment, please read more in the fund's investment prospectus.

Fund performance

In 2019, the fund rose by 45.3 %. The benchmark index rose by 37.1 % during the same period.

The fund invests globally in equities that are assessed as undervalued and investments are also made broadly across regions to give the fund a good risk spread.

Fund performance was good throughout the year, seen in both absolute terms and relative to the benchmark index. Holdings that contributed strongly to absolute performance were Balder, Sagax and Corem. These holdings were also major positive contributors in relation to the fund's benchmark index. Corem is a Swedish real estate company with storage, logistics and commercial properties, primarily in central and southern Sweden. Sagax is a Swedish real estate company that is oriented to properties within storage and light industry, primarily in Sweden and Finland. Balder is a well-diversified Swedish real estate company with a focus on the Nordic region.

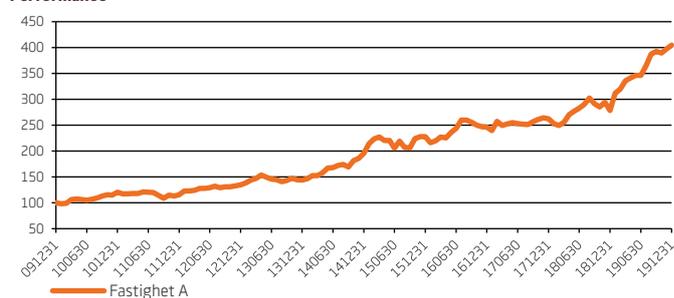
Among the companies that contributed the least to the fund's absolute performance were Senior Housing, Washington Prime and Wharf. The fund's relative performance was negatively affected by an underweight in Crown Castle and because the fund did not have holdings in Equinix and SBA.

Market performance

The value of most real estate companies worldwide developed very strongly throughout 2019. The market that performed best was the Swedish market. During the year, companies had good rental growth, low vacancies and continued access to cheap financing. In addition, prices in general continued to rise for commercial real estate. On the Swedish market, structural transactions or proposals for structural transactions were also carried out during the year, among others, SBB's bid for Hemfosa.

Despite the fact that the real estate sector performed strongly in 2019, it should be borne in mind that the sector is exposed to a variety of risk factors. Among other things, the sector is sensitive to rising financial costs and the possible oversupply of real estate. Real estate companies, like companies in general, are also sensitive to a cyclical slowdown.

Performance



Other

The fund may use derivative instruments including OTC derivatives in its investment policy. The fund may use techniques and instruments but has not made use of the option. On 2019-09-02, fund regulations were changed such that share classes were introduced into the fund (of which only class A is open for trading). 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.

Share classes

The fund has 22 share classes, of which only class A is currently open for trading. Unit class A is a non-dividend share class traded in SEK. The other share classes are currently not open for trading. The different share classes differ in terms of fees, dividends, subscription fee thresholds, subscription and redemption currency and special terms for distribution. The shares in a share class confer equal entitlement to the property of the fund. More information about the fund's share classes can be found in the Information brochure.

Basic facts	191231	181231	171231	161231	151231	141231	131231	121231	111231	101231
Fund net asset value, SEK '000	7 392 928	3 867 830	3 690 655	3 852 819	3 577 701	2 996 904	1 957 866	1 835 672	1 513 501	1 876 097
Net asset value share class A, SEK	62,40	42,94	40,50	38,00	35,13	30,14	22,21	20,73	18,31	19,71
Number of outstanding units share class A, thousands	118 473	90 084	91 118	101 981	101 855	99 440	88 169	88 568	82 638	95 166
Dividend share class A, kr per unit	-	-	-	-	-	-	-	0,63	0,50	0,51
Fund return closing price (incl div) share class A, %	45,3	6,0	6,6	8,2	16,5	35,7	7,1	16,7	-4,5	20,6
Benchmark (incl div), %	37,1	5,1	6,0	10,4	13,2	39,2	6,3	21,7	-7,2	20,7

Holdings as of 2019-12-31

Financial instruments	Marketvalue SEK '000	% of fund	Exposure, SEK '000	% of fund
Australia				
Dexus Property Group (Real estate)	76 990	1,0	76 990	1,0
GPT (Real Estate)	64 487	0,9	64 487	0,9
Mirvac (Real Estate)	104 628	1,4	104 628	1,4
	246 105	3,3	246 105	3,3
Hong Kong				
Cheung Kong Property (Real estate)	46 231	0,6	46 231	0,6
Far East Consortium International (Real estate)	36 619	0,5	36 619	0,5
Link Reit (Real estate)	138 752	1,9	138 752	1,9
New World Development (Real estate)	76 986	1,0	76 986	1,0
Sun Hung Kai Properties (Real estate)	46 821	0,6	46 821	0,6
Wharf (Real estate)	10 072	0,1	10 072	0,1
Wharf Real Estate Investment (Real estate)	18 966	0,3	18 966	0,3
	374 446	5,1	374 446	5,1
Japan				
Ichigo Group Holdings (Finance)	79 419	1,1	79 419	1,1
Katitas (Real estate)	82 951	1,1	82 951	1,1
Kenedix (Real estate)	36 759	0,5	36 759	0,5
MCUBS Midcity (Real estate)	60 986	0,8	60 986	0,8
Nippon Prologis REIT (Real estate)	159 517	2,2	159 517	2,2
Nomura Real Estate (Real estate)	49 199	0,7	49 199	0,7
Nomura Real Estate Master (Real estate)	26 123	0,4	26 123	0,4
Taisei (Industrial)	84 172	1,1	84 172	1,1
	579 126	7,8	579 126	7,8
Canada				
Brookfield Renewable Partners (Socially beneficial goods & services)	87 059	1,2	87 059	1,2
	87 059	1,2	87 059	1,2
Luxembourg				
Aroundtown Property (Real estate)	83 894	1,1	83 894	1,1
Corestate Capital (Real estate)	29 553	0,4	29 553	0,4
Grand City Properties (Real estate)	112 328	1,5	112 328	1,5
	225 775	3,1	225 775	3,1
Malta				
BGP (Real estate) ^a	0	0,0	0	0,0
	0	0,0	0	0,0
The Netherlands				
InterXion Holding NV (Information technology)	86 300	1,2	86 300	1,2
	86 300	1,2	86 300	1,2
Norway				
Selvaag Bolig (Real estate)	78 832	1,1	78 832	1,1
	78 832	1,1	78 832	1,1
Poland				
Echo Investment (Real estate)	23 086	0,3	23 086	0,3
	23 086	0,3	23 086	0,3
Singapore				
Capita Land (Real estate)	36 029	0,5	36 029	0,5
Mapletree Logistics Trust (Real estate)	78 737	1,1	78 737	1,1
UOL Group (Real estate)	39 387	0,5	39 387	0,5
	154 153	2,1	154 153	2,1
Sweden				
Catena (Real estate)	78 565	1,1	78 565	1,1
Corem Property Group (Real estate)	25 677	0,3	25 677	0,3
Corem Property Group (Real estate)	242 547	3,3	242 547	3,3
Fastighets Balder B (Real estate)	433 200	5,9	433 200	5,9
FastPartner (Real estate)	219 183	3,0	219 183	3,0
HEBA B (Real estate)	26 956	0,4	26 956	0,4
Hemfosa Fastigheter (Real estate)	242 600	3,3	242 600	3,3
K-fast	30 665	0,4	30 665	0,4
Klövern A (Real estate)	13 368	0,2	13 368	0,2
Klövern B (Real estate)	98 814	1,3	98 814	1,3
Nyfosa (Real estate)	186 300	2,5	186 300	2,5
Sagax (Real estate)	69 500	0,9	69 500	0,9
Sagax B (Real estate)	326 880	4,4	326 880	4,4
Wihlborg Fastigheter (Real estate)	172 500	2,3	172 500	2,3
	2 166 757	29,3	2 166 757	29,3
USA				
American Tower (Real estate)	533 536	7,2	533 536	7,2
Americold Realty Trust (Real estate)	65 640	0,9	65 640	0,9

Financial instruments	Marketvalue SEK '000	% of fund	Exposure, SEK '000	% of fund
Boston Properties (Real estate)	207 773	2,8	207 773	2,8
Brookfield Property Partners (Real estate)	179 869	2,4	179 869	2,4
CBRE Group (Real estate)	187 039	2,5	187 039	2,5
Colony Capital (Real estate)	6 456	0,1	6 456	0,1
Crown Castle International (Real estate)	94 145	1,3	94 145	1,3
CyrusOne REIT (Real estate)	92 732	1,3	92 732	1,3
Digital Realty Trust (Real estate)	171 970	2,3	171 970	2,3
Diversified Healthcare Trust (Real estate)	10 919	0,1	10 919	0,1
DR Horton (Consumer discretionary)	33 084	0,4	33 084	0,4
EPR Properties (Real estate)	74 062	1,0	74 062	1,0
Equity LifeStyle Properties (Real estate)	158 142	2,1	158 142	2,1
Howard Hughes (Real estate)	47 479	0,6	47 479	0,6
Life Storage REIT (Real estate)	74 095	1,0	74 095	1,0
Mid-American Apartment Comm REIT (Real estate)	222 183	3,0	222 183	3,0
National Health Investors (Real estate)	83 901	1,1	83 901	1,1
National Storage Affiliates Trust (Real estate)	62 944	0,9	62 944	0,9
ProLogis (Real estate)	417 222	5,6	417 222	5,6
Service Properties Trust REIT (Real estate)	42 135	0,6	42 135	0,6
Simon Property (Real estate)	223 108	3,0	223 108	3,0
SL Green Realty (Real estate)	73 108	1,0	73 108	1,0
Washington Prime Group REIT (Real estate)	8 519	0,1	8 519	0,1
WP Carey (Real estate)	168 583	2,3	168 583	2,3
	3 238 642	43,8	3 238 642	43,8

Total financial instruments with positive market value	7 260 280	98,2
Total financial instruments with negative market value	0	0,0
Total financial instruments	7 260 280	98,2

Net other assets and liabilities	132 648	1,8
Fund assets	7 392 928	100,0

Holdings and positions in financial instruments	% of fund
Transferable securities that are admitted to trading on a regulated market or an equivalent market outside the EES	98,2
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
Standard deviation fund, %	12,7
Standard deviation benchmark index, %	12,8
Active share, %	65,4
Tracking error, %	2,2
Average annual yield 2 years, A	24,1
Average annual yield 5 years, A	15,7

External comparisons	191231
Morningstar fund category	Branschfond, Real estate
Morningstar fund rating	5 av 5

Costs	191231
Management fee, in % of average fund assets*	-
-Share class A	1,25
Transaction costs, SEK '000*	1 656
Transaction costs, in % of traded securities*	0,04
Annual fee, %	-
-Share class A	1,25
Management fee in SEK, Savings amount 10,000 SEK*	-
-Share class A	161
Management fee in SEK, Savings amount 100/month*	-
-Share class A	9,24

Turnover	191231
Turnover rate, times/year	0,2

Derivative instrument	191231
Highest derivative gross exposure, %	0,6
Lowest derivative gross exposure, %	0,0
Average derivative gross exposure, %	0,0

Trading of financial instruments	191231
Turnover through affiliated securities institutions, %	1,9
Turnover through funds managed by Swedbank Robur Fonder AB, %	2,8

Rounding differences can occur.
See the definitions in the glossary at swedbank.se/fonder
* Based on 12 months running.

Balance sheet

Assets, SEK '000	191231	181231
Negotiable securities	7 260 280	3 587 335
Fund units	0	62 677
Total financial instruments with positive market value	7 260 280	3 650 013
Bank balance and other cash assets	112 782	209 437
Prepaid expenses and accrued income	70	81
Other Assets	21 336	9 331
Total Assets	7 394 467	3 868 861
Liabilities, SEK '000	191231	181231
Accrued costs and prepaid income	1 540	852
Other liabilities	0	179
Total liabilities	1 540	1 031
Fund assets	7 392 928	3 867 830

Income statement

Income and change in value, SEK '000	191231	181231
Change in value of negotiable securities	1 881 509	139 252
Value changes of the fund units	34 952	-15 511
Interest income	1 509	445
Dividends	163 338	110 775
Net foreign exchange profits and losses	1 363	2 673
Other income	770	259
Total income and change in value	2 083 442	237 893

Costs, SEK '000	191231	181231
Management costs	76 184	46 719
Interest cost items	590	214
Other financial costs	220	212
Other costs	1 695	1 295
Total Costs	78 629	48 443
Profit/loss for the year	2 004 813	189 449

Change of fund assets, SEK '000	191231
Fund assets at the beginning of the year	3 867 830
Unit issuance	4 951 258
Unit redemption	-3 430 974
Profit/loss for the year according to the income statement	2 004 813
Fund assets at the end of the year	7 392 928

Other income¹ includes discounted administration fees totalling SEK '000 34

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

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 Fastighet.

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 Fastighet for the year 2019, except for the sustainability information under the headings Sustainability information and Monitoring of sustainability initiatives.

Supervisory Authority regulations on securities funds and provides, in all material respects, a true picture of Swedbank Robur Fastighet's 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. In our view, the annual report has been produced in accordance with the Securities Funds Act and the Swedish Financial

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