

# Technology

## Swedbank Robur Technology

### Annual Report 2019

Managed by: Johan Söderström  
Fund company: Swedbank Robur Fonder AB  
Fund type: Equity funds  
Start date: 1983-09-05

Share classes open for trade: A  
Benchmark: MSCI World IT Sector Capped Index



Fund's top 5 holdings	Exposure, SEK '000	% of fund
Mastercard	4 488 956	9,2
Alphabet A	3 259 905	6,7
CON Microsoft PFS EQ 220413	3 100 099	6,4
Apple	2 473 985	5,1
Fidelity National	2 226 469	4,6

#### Investment policy

Technology is an actively managed equity fund that primarily invests in companies within the Information Technology sector. This sector includes companies producing software, computer and communications equipment, semiconductors and IT services, for example. The fund is able to invest globally but as the sector is dominated by American companies, the majority of the fund's assets are normally invested in the USA. The fund has a long-term investment horizon and select those companies we find have an attractive valuation in relation to our view of the company's 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 50.4 %. The benchmark rose by 51.3 % during the same period.

Microsoft, Apple and Google performed strongly in the equities market and contributed by far the most to fund performance as they make up large holdings in the fund. Few of the fund's holdings lost value during the year.

The cyclically sensitive semiconductor industry also continued to rise. However, the fund reduced its holdings in this type of company during the first half of the year, which disadvantaged fund performance. In relation to the benchmark, the fund had greater exposure to the software sector, with Microsoft as its largest holding along with internet companies such as Google, Amazon and Facebook, as well as digital payments companies where Visa and Mastercard dominated. The fund avoids exposure to more mature parts of the IT sector with low growth.

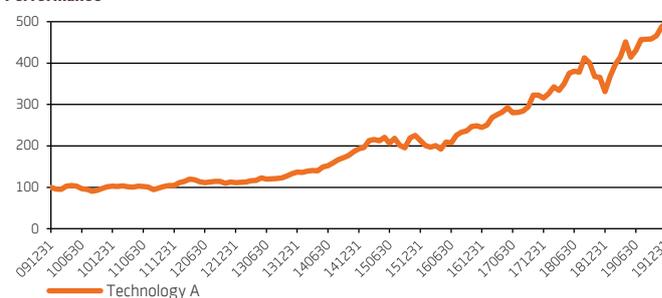
A minor investment in Apple compared with the benchmark contributed negatively.

Approximately 80 % of fund assets are denoted in US dollars. The dollar strengthening against the Swedish krona therefore benefited fund performance throughout the year.

At year end, the fund's largest investments were Microsoft (9.3 %), Mastercard (9.3 %) and Google (6.9 %). Software made up 35 % of fund investments, financial technology 19 %, e-commerce and internet media 17 %, semiconductors 16 %, computer game companies 4 % and other 10 %.

The fund strategy is to look to invest in companies that combine attractive business opportunities with a reasonable value.

#### Performance



#### Market performance

2019 was a fantastic year for technology equities, even though the news flow was marked by uncertainty in trade policy between the United States and China. The year began with a strong and broad market upturn after a weak end to last year as hopes rose that the United States and China would agree on the terms of trade between the countries. However, hopes were dashed after the parties failed to reach an agreement and price movements increased in the second quarter of the year. During the autumn, technology share prices rose again sharply.

The market for semiconductor production has become increasingly concentrated. Companies have been acquired or merged to create sufficient size to be able to carry out the ever-larger investments needed to produce semiconductors in line with technological developments. In 2019, the semiconductor sector recovered its fall in prices from 2018. Companies that manufacture equipment for the production of semiconductors performed particularly strongly. Dominant semiconductor manufacturers such as Taiwan Semiconductor (TSMC) and Samsung Electronics increased their investments during the year.

Optimism gradually grew around Apple's sales of newly launched smartphones, where pricing is perceived as somewhat less aggressive than before. Many investors also appreciate the increasing amount of recurring revenue from digital ancillary services such as apps, music, payments and television.

The technology sector is driving the digitalisation of our world with digital payments, e-commerce, streaming of films and music, embedded automotive systems, online gaming and social networks. With machine learning and large data volumes, these services are become increasingly advanced and individualised. It is a trend that is likely to continue for a long time. The ability to analyse large amounts of data has increased significantly thanks to new computational technology that uses the power of, among other things, GPUs to perform thousands of calculations simultaneously. Nvidia, the semiconductor company, is a leader in the field.

Otherwise, the hardware sector in technology is dominated by the manufacture of personal computers, servers, storage equipment and mobile phones. These subsectors have matured significantly in recent years, pushing sales growth to low levels.

#### Other

The fund may use derivative instruments including OTC derivatives in its investment policy. The fund used derivatives to a limited extent during the period. 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). The highest possible fee was reduced at the same time from 1.62 % to 1.35 %. 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, dividend, threshold for subscription fee, currency for subscription and redemption, and special conditions 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 in the information brochure.

Basic facts	191231	181231	171231	161231	151231	141231	131231	121231	111231	101231
Fund net asset value, SEK '000	48 695 493	31 465 958	29 339 328	21 252 641	18 730 706	14 943 280	10 150 424	8 436 529	6 354 948	6 393 155
Net asset value share class A, SEK	418,75	278,50	265,59	206,05	179,39	162,60	114,81	93,71	88,98	88,42
Number of outstanding units share class A, thousands	116 287	112 985	110 470	103 142	104 415	91 899	88 414	90 025	71 419	72 302
Dividend share class A, kr per unit	-	-	-	-	-	-	-	1,08	1,13	1,19
Fund return closing price (incl div) share class A, %	50,4	4,9	28,9	14,9	10,3	41,6	22,5	6,5	1,9	2,6
Benchmark (incl div), %	51,3	5,3	24,3	20,1	13,4	40,0	29,6	5,2	2,5	2,2

## Holdings as per 2019-12-31

Financial instruments	Market value, SEK '000	% of fund	Exposure, SEK '000	% of fund
<b>France</b>				
Ubisoft Entertainment (Communication services)	517 654	1,1	517 654	1,1
	<b>517 654</b>	<b>1,1</b>	<b>517 654</b>	<b>1,1</b>
<b>Ireland</b>				
Accenture (Information tech)	364 664	0,7	364 664	0,7
	<b>364 664</b>	<b>0,7</b>	<b>364 664</b>	<b>0,7</b>
<b>Israel</b>				
CyberArk Software (Information tech)	251 002	0,5	251 002	0,5
Wix.com (Information tech)	286 401	0,6	286 401	0,6
	<b>537 403</b>	<b>1,1</b>	<b>537 403</b>	<b>1,1</b>
<b>Japan</b>				
Keyence (Information technology)	530 472	1,1	530 472	1,1
Nexon (Communication services)	249 800	0,5	249 800	0,5
Softbank (Communication services)	409 672	0,8	409 672	0,8
	<b>1 189 945</b>	<b>2,4</b>	<b>1 189 945</b>	<b>2,4</b>
<b>Canada</b>				
BlackBerry (Information technology)	156 255	0,3	156 255	0,3
Descartes Systems Group (Information technology)	221 718	0,5	221 718	0,5
	<b>377 972</b>	<b>0,8</b>	<b>377 972</b>	<b>0,8</b>
<b>China</b>				
Alibaba Group (Konsumtion, sällanköpsvaror)	1 300 489	2,7	1 300 489	2,7
Tencent (Communication services)	970 177	2,0	970 177	2,0
	<b>2 270 665</b>	<b>4,7</b>	<b>2 270 665</b>	<b>4,7</b>
<b>The Netherlands</b>				
ASML (Information technology)	969 813	2,0	969 813	2,0
NXP Semiconductors (Information technology)	524 166	1,1	524 166	1,1
	<b>1 493 979</b>	<b>3,1</b>	<b>1 493 979</b>	<b>3,1</b>
<b>Switzerland</b>				
Softwareone (Information technology)	275 147	0,6	275 147	0,6
STMicroelectronics (Information technology)	503 742	1,0	503 742	1,0
	<b>778 889</b>	<b>1,6</b>	<b>778 889</b>	<b>1,6</b>
<b>South Korea</b>				
Naver (Communication services)	415 154	0,9	415 154	0,9
Samsung Electronics (Information technology)	307 143	0,6	307 143	0,6
	<b>722 297</b>	<b>1,5</b>	<b>722 297</b>	<b>1,5</b>
<b>Taiwan</b>				
Taiwan Semiconductor (Information technology)	1 033 628	2,1	1 033 628	2,1
	<b>1 033 628</b>	<b>2,1</b>	<b>1 033 628</b>	<b>2,1</b>
<b>Germany</b>				
Infineon Technologies (Information technology)	714 932	1,5	714 932	1,5
SAP (Information technology)	1 264 292	2,6	1 264 292	2,6
	<b>1 979 224</b>	<b>4,1</b>	<b>1 979 224</b>	<b>4,1</b>
<b>USA</b>				
8xB (Information technology)	223 893	0,5	223 893	0,5
Activision Blizzard (Communication services)	444 987	0,9	444 987	0,9
Adobe Systems (Information technology)	1 738 188	3,6	1 738 188	3,6
Advanced Micro Devices (Information technology)	536 622	1,1	536 622	1,1
Alphabet A (Communication services)	3 259 905	6,7	3 259 905	6,7
Amazon.com (Consumer discretionary)	1 075 918	2,2	1 075 918	2,2
Ansys (Information technology)	433 733	0,9	433 733	0,9
Apple (Information technology)	2 473 985	5,1	2 473 985	5,1
Arista Networks (Information technology)	247 525	0,5	247 525	0,5
Autodesk (Information technology)	575 322	1,2	575 322	1,2
Booking (Consumer discretionary)	442 177	0,9	442 177	0,9
Cadence Design Systems (Information technology)	460 991	0,9	460 991	0,9
Ciena (Informationsteknologi)	299 717	0,6	299 717	0,6
DXC Technology (Informationsteknologi)	175 933	0,4	175 933	0,4
Electronic Arts (Communication services)	402 563	0,8	402 563	0,8
Facebook (Communication services)	864 610	1,8	864 610	1,8
Fidelity National (Information technology)	2 226 469	4,6	2 226 469	4,6
Global Payments (Information technology)	1 127 909	2,3	1 127 909	2,3
Il-VI (Information technology)	129 214	0,3	129 214	0,3
Intuit (Information technology)	912 122	1,9	912 122	1,9
Kla Corporation (Information technology)	642 125	1,3	642 125	1,3
<b>Financial Instruments</b>				
Lumentum Holdings (Information technology)	337 761	0,7	337 761	0,7
Marvell Technology (Information technology)	571 848	1,2	571 848	1,2
Mastercard (Information technology)	4 488 956	9,2	4 488 956	9,2
Microsoft (Information technology)	1 431 950	2,9	1 431 950	2,9
Nvidia (Information technology)	1 535 345	3,2	1 535 345	3,2
Paypal (Information technology)	1 147 259	2,4	1 147 259	2,4
PTC (Information technology)	539 808	1,1	539 808	1,1
RealPage (Information technology)	352 210	0,7	352 210	0,7
Salesforce.com (Information technology)	1 826 977	3,8	1 826 977	3,8
Servicenow (Information technology)	502 134	1,0	502 134	1,0
Skyworks Solutions (Information technology)	342 864	0,7	342 864	0,7
SS&C Technologies (Information technology)	959 863	2,0	959 863	2,0
Synopsys (Information technology)	485 454	1,0	485 454	1,0
Take-Two Interactive (Communication services)	286 518	0,6	286 518	0,6
Teradyne (Information technology)	319 165	0,7	319 165	0,7
Verint Systems (Information technology)	207 291	0,4	207 291	0,4
VMware (Information technology)	710 457	1,5	710 457	1,5
	<b>34 739 768</b>	<b>71,3</b>	<b>34 739 768</b>	<b>71,3</b>
<b>OTC Derivative Instruments</b>				
CON Microsoft PFS EQ 220413 (Information technology) <sup>a</sup>	129 154	0,3	3 100 099	6,4
FXFwd-USD/PY-20200326 <sup>a</sup>	13 400	0,0	13 400	0,0
	<b>142 555</b>	<b>0,3</b>	<b>3 113 499</b>	<b>6,4</b>
<b>Other Derivative Instruments</b>				
Put Option 110 PowerShares QQQ Trust 2020-06-19 (Ovrigt) <sup>1</sup>	-824	0,0	0	0,0
Put Option 115 PowerShares QQQ Trust 2020-01-17 <sup>2</sup>	-103	0,0	0	0,0
Put Option 163 PowerShares QQQ Trust 2020-01-17 <sup>2</sup>	103	0,0	0	0,0
Put Option 163 PowerShares QQQ Trust 2020-06-19 <sup>1</sup>	11 533	0,0	0	0,0
	<b>10 709</b>	<b>0,0</b>	<b>0</b>	<b>0,0</b>
<b>Total financial instruments with positive market value</b>				
	<b>46 160 279</b>	<b>94,8</b>		
<b>Total financial instruments with negative market value</b>				
	<b>-927</b>	<b>0,0</b>		
<b>Total financial instruments</b>				
	<b>46 159 352</b>	<b>94,8</b>		
<b>Net other assets and liabilities</b>				
	2 536 141	5,2		
<b>Fund capital</b>				
	<b>48 695 493</b>	<b>100,0</b>		
<b>Holdings and positions in financial instruments</b>				
			<b>% av fond</b>	
Transferable securities that are listed for trading on a regulated market or an equivalent market outside the EEA				94,5
<sup>1</sup> Other financial instruments that are listed for trading on a regulated market or an equivalent market outside the EEA				0,0
<sup>2</sup> Transferable securities that are the object of regular trading on some other market that is regulated and open to the general public				-
<sup>3</sup> Other financial instruments that are the object of regular trading on some other market that is regulated and open to the general public				-
<sup>4</sup> Transferable securities that within a year of issue are considered to be listed for trading on a regulated market or an equivalent market outside the EEA				-
<sup>5</sup> Transferable securities that within a year of issue are considered to be the object of regular trading on some other market that is regulated and open to the general public				-
<sup>6</sup> Other financial instruments				0,3
<b>Risk and reward profile</b>				
				<b>191231</b>
Standard deviation fund, %				18,7
Standard deviation benchmark, %				18,8
Active share, %				63,8
Tracking error, %				2,4
Average annual return 2 yrs, % A				25,6
Average annual return 5 yrs, % A				20,8
<b>External comparison</b>				
				<b>191231</b>
Morningstar fund category	Ind fund, new tech			
Morningstar fund rating	4 of 5			
<b>Costs</b>				
				<b>191231</b>
Management fee as percentage of average fund assets*				1,25
-Share class A				23 549
Transaction costs in SEK *100*				0,04
Transaction costs in % of securities traded *				1,26
Ongoing charges, %				166
-Share class A				9,25
Management costs in SEK Savings amount SEK 10 000 kr*				
-Share class A				
Management costs in SEK Savings amount SEK 100/month*				
-Share class A				
<b>Turnover</b>				
				<b>191231</b>
Turnover rate, times/year				0,6
<b>Derivative Instruments</b>				
				<b>191231</b>
Highest Gross Derivative Exposure, %				16,8
Lowest Gross Derivative Exposure, %				2,9
Average Gross Derivative Exposure, %				10,9
<b>Trading of financial instruments</b>				
				<b>191231</b>
Turnover through affiliated securities institutions, %				3,3
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 backwards				
<b>Counterpart to OTC Derivative instrument</b>				
Citigroup, Swedbank AB				
<b>Balance sheet</b>				
<b>Assets, SEK '000</b>				
	<b>191231</b>	<b>181231</b>		
Negotiable securities	46 006 089	30 587 471		
OTC Derivative instrument with positive market value	142 555	0		
Other Derivative instruments with positive market value	11 636	0		
<b>Total financial instruments with positive market value</b>	<b>46 160 279</b>	<b>30 587 471</b>		
Bank balance and other cash assets	2 521 094	841 157		
Prepaid expenses and accrued income	2 371	486		
Other Assets	25 955	1 883 004		
<b>Total Assets</b>	<b>48 695 699</b>	<b>33 312 118</b>		
<b>Liabilities, SEK '000</b>				
	<b>191231</b>	<b>181231</b>		
OTC Derivative instrument with negative market value	0	58 710		
Other Derivative instruments with negative market value	927	0		
<b>Total financial instruments with negative market value</b>	<b>927</b>	<b>58 710</b>		
Accrued costs and prepaid income	13 279	8 101		
Other liabilities	0	1 779 349		
<b>Total liabilities</b>	<b>14 206</b>	<b>1 846 159</b>		
<b>Fund assets</b>	<b>48 695 699</b>	<b>31 465 958</b>		
<b>Memorandum items, SEK '000</b>				
	<b>191231</b>	<b>181231</b>		
Received collateral for OTC derivative instruments	126 684	-		
Pledged collateral for OTC derivative instruments	-	60 296		
<b>Income statement</b>				
<b>Income and change in value, SEK '000</b>				
	<b>191231</b>	<b>181231</b>		
Change in value of negotiable securities	15 416 915	1 261 225		
Value changes on OTC derivative instruments	1 034 076	167 315		
Change in value of other derivative instruments	-283 543	18 371		
Value changes of the fund units	68	0		
Interest income	30 948	17 850		
Dividends	238 732	266 205		
Net foreign exchange profits and losses	130 265	-2 404		
Other income	2 284	1 819		
<b>Total income and change in value</b>	<b>16 569 746</b>	<b>1 730 381</b>		
<b>Costs, SEK '000</b>				
	<b>191231</b>	<b>181231</b>		
Management costs	529 297	435 085		
Interest cost items	66 766	23 217		
Other financial costs	2 341	19		
Other costs	23 719	19 677		
<b>Total Costs</b>	<b>622 123</b>	<b>477 998</b>		

<b>Profit/loss for the year</b>	<b>15 947 623</b>	<b>1 252 382</b>
<b>Change of fund assets, SEK '000</b>	<b>191231</b>	
Fund assets at the beginning of the year	31 465 958	
Unit issuance	7 167 764	
Unit redemption	-5 885 852	
Loss for the year according to the income statement	15 947 623	
<b>Fund assets at the end of the year</b>	<b>48 695 493</b>	

## Sustainability information

- Sustainability aspects considered when managing the fund  
 Sustainability aspects not considered when managing the fund

### Sustainability aspects considered when managing the fund

- Environment aspects (e.g. the impact of companies on the environment and climate)  
 Social aspects (e.g. human rights, employee rights and equal treatment)  
 Corporate governance aspects (e.g. shareholder rights, issues related to remuneration to executive decision makers and combating corruption)  
 Other sustainability aspects

### Methods used in sustainability work

#### The fund selects

- Sustainability aspects crucial for selection of companies by managers

The fund has specific and stated criteria for selecting companies based on environmental, social and business ethics issues. Analysis of the work companies are doing in the area of sustainability is crucial when selecting companies for the fund.

The fund managers take sustainability issues into consideration. 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 the fund applies when selecting

#### The fund rejects

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

Fund company comments:

0%. Concerns both production and distribution.

- Chemical and biological weapons

Fund company comments:

0%. Concerns both production and distribution.

- Nuclear weapons

Fund company comments:

0%. Concerns both production and distribution.

- Pornography

Fund company comments:

0%. Concerns production of pornographic material.

- Other

Fund company comments:

The fund does not invest in companies whose turnover consists of over 30 percent coal production. List of excluded companies is available at [swedbankrobur.se](http://swedbankrobur.se)

### International standards

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 companies identified as not following international standards.

Companies where the fund does not envisage 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.

Fund company comments:

When we reach the view that a company is grossly and systematically in breach of international standards and conventions or is otherwise involved in unacceptable activities with respect to sustainability and/or corporate governance, we contact them for a response. If companies exhibit a willingness to change, Swedbank Robur can remain a shareholder, otherwise the companies will be excluded from investment.

### Countries

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

Other

- Other

Fund company 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).

### Fund company lobbying

The fund company uses its shareholder influence to lobby companies on sustainability issues.

The fund company maintains contact with companies with the aim of persuading them towards a more sustainable direction.

- Company lobbying by fund

Fund company comments:

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

- Company influence in tandem with other investors

Fund company 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 lobbying via external suppliers/consultants

Fund company comments:

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

- Voting at general meetings

Fund company comments:

- Participation on nomination committees to influence the composition of the board

- Other company lobbying

### Monitoring of sustainability work

#### Fund selection

Sustainability criteria are integrated into the normal investment process. Existing holdings are regularly monitored, and prior to new investments, we prioritise those companies in the fund's possible investment universe that best fulfil the fund's sustainability requirements.

SAP and Microsoft are examples of companies that have been selected for the fund where consideration has been given to how they manage opportunities and risks related to sustainability.

#### Fund exclusion

The fund complies with the Swedbank Robur Policy on Responsible Investment. Daily checks have been carried out during the year to ensure that the fund has not invested in companies that engage in activities the fund should exclude for sustainability reasons. Playtech is an example of a company that has been excluded in addition to this policy due to inadequate sustainability work or because of the company's products or services.

#### Fund influence

Throughout 2019, Swedbank Robur has conducted dialogues with 19 companies regarding sustainability and corporate governance. Swedbank Robur has also conducted dialogues with 7 companies through suppliers and collaborations.

Examples of sustainability dialogues include those related to personal data integrity with Alphabet (Google's parent company), Facebook and Twitter. 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.

Swedbank Robur has voted at 33 general meetings of shareholders on behalf of the fund. We participate in and vote at annual general meetings and/or participate in nomination committees based on the fund company's principles of shareholder engagement. We do not make use of proxy advisors, voting decisions are made based on fund management principles for shareholder engagement. The fund management company has access to external analyses (Nordic Investor Services and ISS Ethix) mainly with regard to foreign companies. 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 "Ägarstyrning" ("Owner governance") at [swedbankrobur.se/agarstyrning.html](http://swedbankrobur.se/agarstyrning.html).

### Supplementary information about transactions for securities financing and total return swaps

In accordance with EU 2015/2365 Art. 13:

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

All total return swaps involve liquidation and clearing with a bilateral counterparty. 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	3 100 099	6.4

Maturity profile	Amount, SEK '000
<b>Total return swaps</b>	
< 1 day	-
1 - 7 days	-
7 days - 1 month	-
1 - 3 months	-
3 months - 1 year	-
> 1 year	3 100 099
Undefined maturity	-

10 main counterparties and the counterpart's country of establishment	Gross volume, SEK '000
<b>Total return swaps:</b>	
Citigroup, England	3 100 099

10 largest issuers of collateral	Amount, SEK '000
Europeiska Centralbanken	-125 794

Maturity tenor of the collateral	Amount, SEK '000
<b>Total return swaps</b>	
< 1 day	-125 794
1 - 7 days	-
7 days - 1 month	-
1 - 3 months	-
3 months - 1 year	-
> 1 year	-
Undefined maturity	-

Storage of received collateral	Amount, SEK '000
Citigroup	-125 794

Information on performance and charges	Amount, SEK '000	% of total returns
<b>Total return swaps</b>		
Net yield fund	1 148 182	95,0
Fee to the fund company	-	0,0
Fee to the third party	60 025	5,0

Storage of received collateral	Amount, SEK '000
Citigroup	-125 794

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
<b>Total return swaps</b>		
Net yield fund	1 148 182	95,0
Fee to the fund company	-	0,0
Fee to the third party	60 025	5,0

### 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 return includes dividends taking into account the tax effects (net dividend).

### Risk assessment method

The fund company measures the total exposure of the fund using the commitment approach daily. 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. For options, etc. a delta calculation is also used. When calculating total exposure, the fund company takes netting and hedging into account.

### Portfolio risks

Equity funds normally have higher potential for long-term value growth. However, any investment in an equity fund also entails a high risk, as share prices may fluctuate significantly on the equity market. Material risks in the fund that are not fully reflected in the risk/return indicator include:

- Concentration risk. The fund is a high-risk fund by virtue of its concentration of equity investments in the IT sector. Moreover, the focus on IT means that the fund will invest significantly in a single region (USA), thereby limiting geographical diversification.
- Currency risk. The fund invests in securities denominated in currencies other than Swedish kronor and is therefore affected by currency exchange rate fluctuations.
- 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 deferment 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 (SRP), 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 1 872 973

## 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 Technology.

### 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 Technology 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 Technology 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 2019 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