

# Unaudited Semi-Annual Report

## SEB TrendSystem Renten

Status: 30 June 2020

**Notice**

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

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# Additional Information to the Investors in Germany

## As at 30 June 2020

### **Units in circulation:**

### **The following Fund is publicly approved for distribution in Germany:**

- SEB TrendSystem Renten

The information disclosed above is as at 30 June 2020 and this may change after the period end. The current Fund in circulation and the current registrations per unit class are visible in the distribution matrix on [www.sebgroup.lu](http://www.sebgroup.lu).

# Organisation

**Management Company:**

SEB Investment Management AB  
Stjärntorget 4  
SE-169 79 Solna, Sweden

**Board of Directors of  
the Management Company:**

**Chairperson**

Johan Wigh  
Partner  
Advokatfirman, Törngren Magnell  
Sweden

**Members**

Mikael Huldt  
Head of Alternative Investments  
AFA Försäkring  
Sweden

Martin Gärtner  
Former Head of Private Banking  
Skandinaviska Enskilda Banken AB (publ.)  
Sweden

Viveka Hirdman-Ryrberg  
Head of Corporate Communication & Sustainability  
Investor AB  
Sweden

Karin S. Thorburn  
Research Chair Professor of Finance  
Norwegian School of Economics  
Norway

**Branch of the Management Company:**

SEB Investment Management AB, Luxembourg Branch  
4, rue Peternelchen  
L-2370 Howald, Luxembourg

**Central Administration (including the  
administrative, registrar and transfer  
agent function) and Paying Agent in  
Luxembourg:**

The Bank of New York Mellon SA/NV, Luxembourg Branch  
2-4, rue Eugène Ruppert  
L-2453 Luxembourg

**Investment Manager:**

SEB Investment Management AB  
Stjärntorget 4  
SE-169 79 Solna, Sweden

**Depositary:**

Skandinaviska Enskilda Banken AB (publ), Luxembourg Branch\*  
4, rue Peternelchen  
L-2370 Howald, Luxembourg

**Auditor of the Fund:**

Ernst & Young S.A.  
35E avenue John F.Kennedy  
L-1855 Luxembourg

**Auditor of the Management Company:**

Ernst & Young AB  
Jakobsbergsgatan 24  
SE-103 99 Stockholm, Sweden

**Global Distributor:**

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

**Representatives and Paying  
Agents outside Luxembourg:**

The full list of representatives and paying agents outside Luxembourg can be obtained, free of any charge, at the address of the Management Company, at the address of the Branch and on the website of the Branch.

\* Please refer to Note 6, Significant Events during the period.

# General Information

SEB TrendSystem Renten (the "Fund") is an open-ended common fund ("FCP" - "Fonds Commun de Placement") governed by Part I of the Luxembourg Law on Undertakings for Collective Investment of 17 December 2010, as amended, (the "Law"). The Fund qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS). The Fund was set up on 3 August 2000 for an undetermined duration. The Management Regulations lastly modified with effect from 20 September 2017, have been published in the *Recueil Electronique des Sociétés et Associations (RESA)* on 2 November 2017. The Fund is registered with the RCS under the number K 86. The Management Company was established on 19 May 1978 in the form of a Swedish limited liability company (AB). The Management Company is authorised by Finansinspektionen for the management of UCITS and for the discretionary management of financial instruments and investment portfolios under the Swedish UCITS Act (SFS 2004:46). The Management Company is also authorised as an alternative investment fund manager to manage alternative investment funds under the Swedish AIFM Act (SFS 2013:561).

The Management Company has delegated parts of the Central Administration as further detailed hereafter, including the administrative, registrar and transfer agent functions - under its continued responsibility and control - at its own expenses to The Bank of New York Mellon SA/NV, Luxembourg Branch, 2-4, rue Eugène Ruppert, L-2453 Luxembourg. This branch was created in Luxembourg as a "succursale d'une société de droit étranger" on 15 December 1998 and is an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation. It is registered with the Luxembourg Trade and Companies' Register under Corporate Identity Number B 105087 (the "Administrative Agent" and "Registrar and Transfer Agent").

In the capacity of Administrative Agent, it carries out certain administrative duties related to the administration of the Fund, including the calculation of the NAV of the Units and the provision of account services for the Fund.

In its capacity as Registrar and Transfer Agent, it will process all subscriptions, redemptions and transfers of units, and will register these transactions in the Unitholders' register of the Fund.

The main objective of the Fund will be to invest directly and/or indirectly in transferable securities and other Eligible Assets, with the purpose of spreading investment risks and achieving long-term capital growth. The investment objectives of the Fund will be carried out in compliance with the investment restrictions set forth in the latest prospectus.

Unless otherwise laid down in the Prospectus, the Management Company may decide to issue, for the Fund, capitalisation Units ("C" Units) and distribution Units ("D" Units).

The "C" Units will reinvest their income, if any. The "D" Units may pay a dividend to its Unitholders, upon decision of the Management Company. Dividends are paid annually, except where the Management Company would decide on a monthly, quarterly or semi-annual dividend payment.

The "B I" and "B II" Units may pay a dividend.

Currently, the following unit classes are offered for the Fund:

- |                                     |              |
|-------------------------------------|--------------|
| ○ Distribution units ("B I" units)  | LU0116292888 |
| ○ Distribution units ("B II" units) | LU0170040694 |

The base currency of the Fund is Euro.

The issue and redemption prices, which are computed daily on bank business days in Luxembourg, except 24 December and 31 December ("Valuation date"), can be obtained from the registered offices of the Management Company, the Depositary and the Paying Agent.

In addition, the Net Asset Value, fact sheets and other informational material is published on the SEB Luxembourg website [www.sebgroup.lu](http://www.sebgroup.lu) ("website"). When registered in other countries, the publication media might differ according to the regulatory requirements. Information about ongoing charges can be found in the Key Investor Information Document ("KIID").

The audited annual and un-audited semi-annual reports of the Fund may be obtained, free of charge at the registered office of the Management Company, at the address of its Branch and on the website. These reports as well as copies of the Prospectus, the Management Regulations and the KIID are available, free of charge, at the registered office of the Management Company, at the address of the Branch and on the website.

# Management Report

Dear Unitholders,

With this report, we want to give you an overview of the general economic environment and the development of the most important capital markets of our Fund SEB TrendSystem Renten.

We would like to thank you for your confidence and will do everything within our power to justify your decision of investing in our Fund.

## **The year a virus shook the world**

At the start of 2020, few investors would have imagined a virus outbreak that would turn into a horrific human tragedy on a global scale. Besides the tragic loss of human lives that is still increasing, the pandemic has had significant social, economic and political consequences that the world has not seen for many decades.

Most countries are now expected to face a recession in 2020. At the onset of the pandemic, economic activity was brought to a standstill as countries imposed lockdowns to halt the spread of the virus. Containment efforts caused global production, demand and trade to collapse. The service industry, in particular travel and entertainment, was hit most severely. Global manufacturing slumped to levels not seen since the financial crisis. Markets suffered a double whammy as lower energy demand led to a price war and an oil price crash. Growing uncertainty led to a slowdown in capital spending as global supply chains were disrupted and consumption weakened.

To fight the economic impact of the virus and support businesses and households, central banks and governments implemented massive monetary and fiscal stimulus packages. By March, global central banks had slashed interest rates and implemented quantitative easing. In late spring, governments announced historical stimulus bills to support the economy.

Economic data has staged a swift recovery from the bottom. Major leading indicators for manufacturing and services in June are now up from the lows. The US labour market is presenting strong figures – 4.8 million jobs were added in June. Euro-area industrial activity rebounded as lockdowns were lifted across the EU. China weathered the economic impact relatively well and was at the forefront of the world's economic recovery. High-frequency data shows that countries are moving towards pre-pandemic activity levels. Despite continued uncertainty regarding the global outlook, global growth estimates predict a strong recovery in 2021.

So far, 2020 has been a roller coaster for the financial markets. When the economic outlook improved, investors' risk appetite increased. Financial markets started to discount slightly milder economic losses than originally reported and predicted better earning results for 2021, as spending is expected to recover. But whether markets will continue to rise depends on fulfilled expectations of a global recovery, or the risk of a relapse slowing the global economic recovery.

## **Financial markets**

The first half of 2020 saw financial markets quickly descend into a bear market, only to turn into a bull rally. Expectations of better growth as a result of eased lockdown restrictions, massive stimulus measures and signs of confidence in the recovery process were the rally's primary drivers. Forward valuations, in price-to-earnings ratio terms, expanded swiftly as a consequence of higher prices and lower earnings estimates. Companies' earnings estimates for 2020 were revised sharply downwards as a result of the uncertainty. Earnings are expected to recover in 2021, however. Q2 2020 earnings releases will provide further clarity on the impact of the coronavirus on businesses.

In the fixed income market, global government yields tumbled to ultra-low levels. Both the European Central Bank and Federal Reserve are now expected to keep rates near zero until at least 2022. High-yield bond spreads spiked due to the financial distress of investors fearing defaults as a consequence of coronavirus lockdowns. Corporate bond spreads are now down from the highs in March, but are still pricing an elevated risk premium to pre-corona levels.

## **Outlook for markets and economic growth**

We remain humble towards the uncertainty in the post-Covid-19 era, but we recognise the early signs of a recovery. For the next 12 months, the risk-reward of global equities is improving as macro is encouraging and stimulus provides a floor. Forward valuations are now trading at high multiples, but increased uncertainty in 2020-2021 earnings estimates entails challenges in valuing equities. Our view is that multiples can remain at high levels as a result of a continued low interest rate environment. But we admit that the market gains can only sustain their positive trend if overall earnings results come out better than expected. Expectations of further stimulus measures and continued normalisation of economic activity must also be fulfilled in order to lift equities higher.

As we enter the second half of 2020, we recognise that the list of uncertainties is now greater than at the start of the year – in particular the risk of future waves of Covid-19. Yet our analysis indicates that equities will probably deliver higher returns than core fixed income. Within equities, investment opportunities for quality stocks are increasing. The outlook for government bonds looks bleak, as yields have dropped to low levels. High-yield bonds are expected to generate modestly positive overall returns, in particular since central banks in developed markets will probably support the asset class. Going forward, we will continue to monitor the pandemic's development and the upcoming US election, but also consider how well companies can perform when Covid-19 is not the only issue shaping the economic outlook.

Luxembourg, 28 July 2020

**SEB Investment Management AB**

The Board of Directors

# Schedule of Investments

## As at 30 June 2020

<b>SEB TrendSystem Renten</b>				
<b>Security description</b>	<b>Maturity</b>	<b>Total holdings</b>	<b>Market value in EUR</b>	<b>% of Net Assets</b>
<b>Bonds indicated in 1,000 currency units</b>				
<b>Transferable securities admitted to an official stock exchange listing</b>				
<b>Bonds</b>				
<b>Austria</b>				
1.20 % Republic of Austria Government Bond '144A'	20/10/25	2,150	2,348,503.20	8.13
<b>Total Austria</b>			<b>2,348,503.20</b>	<b>8.13</b>
<b>Belgium</b>				
0.50 % Kingdom of Belgium Government Bond '144A'	22/10/24	3,000	3,132,928.71	10.85
<b>Total Belgium</b>			<b>3,132,928.71</b>	<b>10.85</b>
<b>Finland</b>				
2.00 % Finland Government Bond '144A'	15/04/24	1,020	1,122,495.30	3.89
<b>Total Finland</b>			<b>1,122,495.30</b>	<b>3.89</b>
<b>France</b>				
0.50 % French Republic Government Bond OAT	25/05/25	2,900	3,048,346.99	10.55
2.25 % French Republic Government Bond OAT	25/05/24	2,320	2,579,146.39	8.93
<b>Total France</b>			<b>5,627,493.38</b>	<b>19.48</b>
<b>Germany</b>				
2.00 % Bundesrepublik Deutschland Bundesanleihe	15/08/23	900	977,778.45	3.38
<b>Total Germany</b>			<b>977,778.45</b>	<b>3.38</b>
<b>Italy</b>				
3.75 % Italy Buoni Poliennali Del Tesoro	01/09/24	340	384,627.91	1.33
4.50 % Italy Buoni Poliennali Del Tesoro	01/05/23	2,100	2,352,442.63	8.14
5.50 % Italy Buoni Poliennali Del Tesoro	01/11/22	2,100	2,359,909.58	8.17
<b>Total Italy</b>			<b>5,096,980.12</b>	<b>17.64</b>
<b>Netherlands</b>				
0.25 % Netherlands Government Bond '144A'	15/07/25	2,250	2,347,098.98	8.12
<b>Total Netherlands</b>			<b>2,347,098.98</b>	<b>8.12</b>
<b>Spain</b>				
6.00 % Spain Government Bond	31/01/29	2,000	2,968,350.00	10.28
1.45 % Spain Government Bond '144A'	31/10/27	2,140	2,340,165.36	8.10
1.95 % Spain Government Bond '144A'	30/04/26	2,100	2,342,965.25	8.11
<b>Total Spain</b>			<b>7,651,480.61</b>	<b>26.49</b>
<b>Total Bonds</b>			<b>28,304,758.75</b>	<b>97.98</b>
<b>Total Transferable securities admitted to an official stock exchange listing</b>			<b>28,304,758.75</b>	<b>97.98</b>
<b>Total Portfolio</b>			<b>28,304,758.75</b>	<b>97.98</b>

## SEB TrendSystem Renten

	Market value in EUR	% of Net Assets
<b>Cash at bank</b>		
Cash at bank	438,370.91	1.52
<b>Total Cash at bank</b>	<b>438,370.91</b>	<b>1.52</b>
<b>Other assets</b>		
Interest receivable on bonds	165,584.27	0.57
<b>Total other assets</b>	<b>165,584.27</b>	<b>0.57</b>
<b>Liabilities</b>		
Management fees	(1,579.05)	(0.01)
Taxe d'abonnement	(3,604.24)	(0.01)
Bank interest payable on cash accounts	(954.51)	(0.00)
Other liabilities	(15,726.83)	(0.05)
<b>Total liabilities</b>	<b>(21,864.63)</b>	<b>(0.07)</b>
<b>Total Net Assets as at 30 June 2020</b>	<b>28,886,849.30</b>	<b>100.00</b>

A list of changes in the assets held during the financial period under review is available free of charge from SEB Investment Management AB.

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

# Statement of Net Assets

## As at 30 June 2020

	SEB TrendSystem Renten
	EUR
<b>Assets</b>	
Portfolio at cost	27,307,821.13
Unrealised appreciation	996,937.62
<b>Portfolio at market value (note 1)</b>	<b>28,304,758.75</b>
Receivable interest and / or dividends	165,584.27
Cash at bank	438,370.91
<b>Total Assets</b>	<b>28,908,713.93</b>
<b>Liabilities</b>	
Other liabilities	(21,864.63)
<b>Total Liabilities</b>	<b>(21,864.63)</b>
<b>Total Net Assets as at 30 June 2020</b>	<b>28,886,849.30</b>
"B I" units outstanding as at 30 June 2020	467,866.8910
"B II" units outstanding as at 30 June 2020	50,350.9290
Net Asset Value per "B I" unit as at 30 June 2020	55.742
Net Asset Value per "B II" unit as at 30 June 2020	55.750

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

# Notes to the Financial Statements

## As at 30 June 2020

### **Note 1. Significant Accounting Policies**

The financial statements have been prepared in accordance with Luxembourg regulations relating to Undertakings for Collective Investment.

The Financial Statements have been prepared based on last official Net Asset Value of the period which has been calculated on 30 June 2020 with the prices as of that date.

#### **Investments:**

a) Transferable securities and money market instruments, which are officially listed on a stock exchange, are valued at the last available price.

b) Transferable securities and money market instruments, which are not officially listed on a stock exchange, but which are traded on another regulated market are valued at a price no lower than the bid price and no higher than the ask price at the time of the valuation and at which the Management Company considers to be an appropriate market price.

c) Transferable securities and money market instruments quoted or traded on several markets are valued on the basis of the last available price on the principal market for the transferable securities or money market instruments in question, unless these prices are not representative.

d) In the event that such prices are not in line with market conditions, or for securities and money market instruments other than those covered in a), b) and c) above for which there are no fixed prices, these securities and money market instruments, as well as other assets, will be valued at the current market value as determined in good faith by the Management Company, following generally accepted valuation principles.

e) Units or shares of UCI(TS) are valued at the last available Net Asset Value obtained from the Administrative Agent of such UCI(TS), except for Exchange Traded Funds which are valued at the latest available price found on the main stock exchange on which they are listed.

f) Derivatives instruments traded on regulated markets or stock exchanges are valued at last available settlement prices of these contracts on regulated markets or stock exchanges on which the derivative instruments are traded by the Fund.

Derivatives instruments not traded on regulated markets or on stock exchanges are valued at their net liquidating value determined, pursuant to the policies established in good faith by the Management Company on a basis consistently applied for each different variety of contracts, in accordance with generally recognised principles, taking into consideration the generally accepted accounting practices, the customary practices in line with the market and the interests of the Unitholders.

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

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

**Swing pricing:**

The Investment Manager needs to perform transactions in order to uphold the desired asset allocation as a result of the flows in and out of the Fund. While performing these transactions brokerage and transaction costs will occur. Acting in the Unitholders' interest, the Net Asset Value will be adjusted if on any Valuation Day the aggregate transactions in units of all Classes of a Fund result in a net increase or decrease of units which exceeds a threshold set by the Board of Directors of the Management Company from time to time (relating to the cost of market dealing for the Fund), the Net Asset Value per unit of the relevant Fund will be adjusted to reflect both the estimated fiscal charges and dealing costs (brokerage and transaction costs) that may be incurred by the Fund and the estimated bid/offer spread of the assets in which the respective Fund invests following the net movement of units of the Fund. The adjustment will be an addition when the net movement results in an increase of all units of the Fund and a deduction when it results in a decrease.

The Board of Directors of the Management Company or swing price committee may also decide a maximum swing factor to apply to the Fund. The Fund will not have a higher maximum swing factor than 0.99%. The list of Funds that currently apply swing pricing, including the size of a maximum swing factor, is available on SEB Investment Management's website. Investors may also request this information, free of charge.

No swing pricing adjustment has been applied to the period end Net Asset Value per unit calculated on 30 June 2020.

**Currency Translation:**

All assets denominated in a different currency to the Funds' currency are converted into the Funds' currency at the last available average exchange rate.

Separate accounts are maintained for the Fund in the currency in which the Net Asset Value per unit to which it relates is expressed (the "accounting currency").

Transactions denominated in a currency other than the accounting currency are recorded on the basis of exchange rates prevailing on the date they occur or accrue to the Fund.

Assets and liabilities, expressed in a currency other than the accounting currency, are translated on the basis of exchange rates ruling at the balance sheet date.

As at 30 June 2020, all assets and liabilities were denominated in Euro.

**Income:**

Interest income and bank interest income are recognised on an accrual basis. Dividends are recorded on the ex-dividend date. This income is shown net of any withholding taxes and adjusted accordingly when tax reclaims apply.

**Note 2. Management Fees**

In payment for its services, the Management Company receives an annual rate of:

- 0.50% is charged on SEB Trendsystem Renten "B I" units (maximum rate: 0.50%)
- 0.50% is charged on SEB Trendsystem Renten "B II" units (maximum rate: 0.50%)

A twelfth of this rate is being payable at the end of each month and based on the average Net Assets of the Fund calculated daily during the relevant month.

The Management Company pays accounting, administration and depositary fees on behalf of the Fund.

### **Note 3. Performance Fees**

In addition to the fixed management fees above, the Management Company also receives an annual performance-related commission ("Performance Fees") amounting to 25% of the value by which the annual growth in the Net Asset Value per unit exceeds the return of the "Barclays Euro Treasury 1-10 Year Total Return Index Value Unhedged EUR" index. All costs incurred by the Fund, including the fixed Management Fees of 0.5% per annum, are included in determining the performance of the Net Asset Value per unit. The Performance Fees are thus only charged when the performance of the Net Asset Value per unit after the deduction of all costs is above the aforementioned index at the end of the Fund's financial period.

### **Note 4. Taxation**

The Fund is liable in Luxembourg to a subscription tax ("taxe d'abonnement") of 0.05% or 0.01% (as applicable) per annum of its NAV, such tax being payable quarterly on the basis of the value of the aggregate Net Assets of the Fund at the end of the relevant calendar quarter. Investments by the Fund in shares or units of another Luxembourg undertaking for collective investment which are also subject to the tax d'abonnement are excluded from the NAV of the Fund serving as basis for the calculation of this tax to be paid by the Fund.

No stamp duty or other tax is payable in Luxembourg on the issue of units.

Interest, dividend and other income realised by the Fund on the sale of securities of non-Luxembourg issuers, may be subject to withholding and other taxes levied by the jurisdictions in which the income is sourced.

### **Note 5. Transaction Fees**

Transaction fees incurred by the Fund relating to the purchase or sale of transferable securities, money market instruments, derivatives or other eligible assets are mainly composed of depositary fees and broker fees. Most of the transaction fees are included in the transaction price used to calculate the realised and unrealised gain/(loss) on securities.

In line with bond market practice, a bid-offer spread is applied when buying or selling securities and other financial instruments. Consequently, in any given transaction, there will be a difference between the purchase and sale prices quoted by the broker, which represents the broker's remuneration. This type of transaction cost is difficult to obtain separately and is therefore included in the acquisition cost of securities or deducted from selling prices of bonds.

As at 30 June 2020, the transaction fees were as follows:

SEB TrendSystem Renten	52 EUR
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### **Note 6. Significant Events during the period**

#### **Depositary**

With effect on 2 January 2020, Skandinaviska Enskilda Banken S.A. merged with its parent company Skandinaviska Enskilda Banken AB (publ) ("SEB AB"). As from 2 January 2020, the depositary duties undertaken pursuant to the Depositary Agreement was taken over in full by SEB AB acting through the Luxembourg Branch, Skandinaviska Enskilda Banken AB (publ), Luxembourg Branch.

#### **Prospectus**

A new prospectus was issued in January 2020.

There were no other significant events during the period.

### **Note 7. Subsequent Events after the period end.**

There were no subsequent events after the period end.

SEB Investment Management AB, Luxembourg Branch  
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