

# Unaudited semi-annual report as at 30th June 2012

## **ETHOS FUND**

Investment Fund (F.C.P.), Luxembourg

#### 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.

**ETHOS FUND**

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# ETHOS FUND

## Organisation

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### Management Company and Central Administration

SEB Fund Services S.A.\*  
4, Rue Peternelchen  
L-2370 Howald

### Board of Directors of the Management Company

**Chairman**  
Niklas NYBERG  
Global Head of GTS Financial Institutions  
SEB Merchant Banking, Sweden

**Vice-Chairman**  
William PAUS  
Managing Director  
Skandinaviska Enskilda Banken AB (publ), Oslo Branch, Norway  
(until 31st May 2012)

Peter KUBICKI  
Managing Director  
Skandinaviska Enskilda Banken S.A., Luxembourg  
(since 1st June 2012)

**Directors**  
Jan HEDMAN  
Global Head of Fund Execution,  
SEB Merchant Banking, Sweden

Rudolf KÖMEN  
Managing Director  
SEB Asset Management S.A., Luxembourg

Ann-Charlotte LAWYER  
Managing Director  
SEB Fund Services S.A., Luxembourg

Jonas LINDGREN  
Head of Prime Brokerage  
SEB Enskilda, Securities Finance, Sweden

### Sub-Administrator, Registrar and Transfer Agent

European Fund Administration S.A.  
2, Rue d'Alsace  
L-1122 Luxembourg

### Custodian Bank

Skandinaviska Enskilda Banken S.A.\*  
4, Rue Peternelchen  
L-2370 Howald

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\* The registered office of all SEB entities in Luxembourg was transferred from 6a, Circuit de la Foire Internationale, L-1347 Luxembourg to 4, Rue Peternelchen, L-2370 Howald with effect from 1st April 2012.

## ETHOS FUND

### Organisation (continued)

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**Paying Agent**

**In Sweden**

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

**In Luxembourg**

Skandinaviska Enskilda Banken S.A. \*  
4, Rue Peternelchen  
L-2370 Howald

**Investment Manager**

SAM Sustainable Asset Management AG  
Josefstraße 218  
CH-8005 Zürich

**Distributor and Promoter**

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

**Auditor of the Fund and  
the Management Company**

PricewaterhouseCoopers,  
Société coopérative  
(formerly PricewaterhouseCoopers S.à r.l.)  
400, Route d'Esch  
L-1471 Luxembourg

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\* The registered office of all SEB entities in Luxembourg was transferred from 6a, Circuit de la Foire Internationale, L-1347 Luxembourg to 4, Rue Peternelchen, L-2370 Howald with effect from 1st April 2012.

# ETHOS FUND

## General information

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ETHOS FUND (hereafter the "Fund") is an umbrella mutual investment fund governed by Part I of the Law of 17th December 2010 relating to Undertakings for Collective Investment. The Fund is set up in accordance with Management Regulations signed in Luxembourg on 26th April 2011 (the "Management Regulations") which entered into force on the same day.

The Fund's assets are the undivided joint property of the unitholders and are separate from the assets of the management company, SEB Fund Services S.A. (the "Management Company").

A notice of the deposit of the Management Regulations was published on 6th May 2011 in the "*Mémorial, Recueil des Sociétés et Associations*" (the "*Mémorial C*"). The Management Regulations are deposited with the "*Registre de Commerce et des Sociétés*", where they may be inspected and copies obtained.

At the date of the report, the following Sub-Fund is open:

- ETHOS FUND - Ethos Global Equities in SEK.

The Management Company may offer Class "R" units, available to all types of investors, and "I" units, available to Institutional Investors only. Class "C" units capitalize income whereas Class "D" units distribute income.

At the date of the report, the Classes IC (SEK), ID (SEK) and IC (EUR) are issued.

The Net Asset Value per unit of the Sub-Fund is calculated, under the overall responsibility of the Management Company daily as of each business day in Luxembourg (the "Valuation Day"). A business day is a day on which banks are normally open for business in Luxembourg and Sweden.

The financial year of the Fund starts on 1st January and ends on 31st December in each year.

The audited annual reports and the unaudited semi-annual reports comprise consolidated financial statements of the Fund expressed in SEK, being the reference currency of the Fund, and financial information on each Sub-Fund expressed in the reference currency of each Sub-Fund.

Copies of the Management Regulations, of the current Prospectus, of the Key Investor Information Document (KIID) and of the latest reports of the Fund may be obtained free of charge at the registered office of the Management Company.

## ETHOS FUND

### Consolidated statement of net assets (in SEK)

as at 30th June 2012

#### Assets

Securities portfolio at market value	916,521,810.22
Cash at banks	34,038,996.43
Formation expenses, net	306,169.59
Income receivable on portfolio	2,157,195.00
Interest receivable on bank accounts	24,762.32
Prepaid expenses	22,147.24
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Total assets	953,071,080.80
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#### Liabilities

Interest on bank liabilities and expenses payable	1,131,416.44
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Total liabilities	1,131,416.44
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Net assets at the end of the period	951,939,664.36
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The accompanying notes are an integral part of these financial statements.

## ETHOS FUND - Ethos Global Equities

### Statement of net assets (in SEK)

as at 30th June 2012

#### Assets

Securities portfolio at market value	916,521,810.22
Cash at banks	34,038,996.43
Formation expenses, net	306,169.59
Income receivable on portfolio	2,157,195.00
Interest receivable on bank accounts	24,762.32
Prepaid expenses	22,147.24
Total assets	953,071,080.80

#### Liabilities

Interest on bank liabilities and expenses payable	1,131,416.44
Total liabilities	1,131,416.44

Net assets at the end of the period 951,939,664.36

IC (EUR) units outstanding	2,856,033.461
Net asset value per IC (EUR) unit	EUR 10.08

IC (SEK) units outstanding	6,763,799.406
Net asset value per IC (SEK) unit	96.63

ID (SEK) units outstanding	475,453.115
Net asset value per ID (SEK) unit	96.93

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



## ETHOS FUND - Ethos Global Equities

### Statement of investments and other net assets (in SEK) as at 30th June 2012

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Investments in securities</b>					
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Shares</b>					
AUD	156,700	National Australia Bank Ltd	27,639,114.94	26,096,852.58	2.74
AUD	89,300	Westpac Banking Corp	13,520,833.19	13,349,458.00	1.40
AUD	50,000	Woodside Petroleum Ltd	11,544,641.12	10,972,977.16	1.15
			52,704,589.25	50,419,287.74	5.29
CHF	64,560	Nestlé SA Reg	25,397,229.64	26,629,089.66	2.80
CHF	30,774	Roche Holding AG B de jous Pref	32,120,548.00	36,722,093.99	3.86
CHF	10,000	Swisscom SA Reg	25,533,510.74	27,804,371.40	2.92
CHF	15,000	Zurich Insurance Group AG Reg	22,505,609.13	23,358,735.41	2.45
			105,556,897.51	114,514,290.46	12.03
EUR	30,200	Adidas AG Reg Share	14,909,823.00	14,940,704.02	1.57
EUR	12,000	Allianz SE Reg	10,738,644.73	8,318,324.84	0.87
EUR	77,850	Axa SA	10,668,269.61	7,148,964.57	0.75
EUR	57,100	Cie de Saint-Gobain SA	21,330,885.76	14,559,697.19	1.53
EUR	1,632,000	Enel Green Power S.p.A.	24,378,566.42	17,846,702.54	1.88
EUR	25,000	Fresenius SE & Co KGaA	16,647,198.17	17,914,733.84	1.88
EUR	34,200	Henkel AG & Co KGaA Pref	15,204,110.04	15,693,937.74	1.65
EUR	75,000	Koninklijke DSM NV	22,935,683.20	25,498,594.03	2.68
EUR	150,000	Koninklijke KPN NV	10,404,567.82	9,931,308.07	1.04
EUR	16,000	Munich Reinsurance Co Rest Transferability	15,776,441.47	15,583,058.29	1.64
EUR	130,500	Philips Electronics NV	22,464,140.96	17,804,196.12	1.87
EUR	8,600	Puma SE	17,241,251.34	17,162,481.51	1.80
EUR	859,200	Snam SpA	32,191,520.31	26,500,872.78	2.78
EUR	84,400	Unilever NV Certif of Shares	17,558,233.83	19,512,943.66	2.05
EUR	66,680	Zumtobel AG	9,906,682.07	4,769,453.65	0.50
			262,356,018.73	233,185,972.85	24.49
GBP	24,200	AstraZeneca Plc	7,660,231.75	7,479,386.33	0.79
GBP	232,799	Aviva Plc	10,436,575.80	6,874,732.24	0.72
GBP	589,450	Barclays Plc	15,801,600.92	10,398,808.15	1.09
GBP	92,700	BG Group Plc	13,251,039.15	13,054,850.87	1.37
GBP	965,893	BT Group Plc	19,520,925.21	22,119,883.22	2.32
GBP	1	GlaxoSmithKline Plc	134.19	156.75	0.00
GBP	1,064,550	Legal & General Group Plc	13,028,229.32	14,680,582.79	1.54
GBP	359,568	Morrison Supermarkets Plc	11,303,224.05	10,365,129.64	1.09
GBP	23,337	Reckitt Benckiser Group Plc	8,322,767.08	8,507,048.79	0.89
GBP	257,800	Travis Perkins Plc	27,087,013.79	27,103,618.85	2.85
			126,411,741.26	120,584,197.63	12.66
JPY	695,000	Marubeni Corp	31,532,964.11	31,645,619.03	3.33
JPY	339,000	Mitsui OSK Lines Ltd	11,840,141.40	8,334,145.63	0.88
			43,373,105.51	39,979,764.66	4.21
NOK	231,750	DNB ASA	19,266,036.81	15,870,360.05	1.67
SEK	70,300	Boliden AB	8,194,285.16	6,748,800.00	0.71
SEK	137,600	Svenska Cellulosa SCA AB B	12,921,936.63	14,241,600.00	1.50
			21,116,221.79	20,990,400.00	2.21
USD	28,750	Canadian Imp Bk of Commerce	14,540,276.81	13,967,044.56	1.47
USD	110,400	Corning Inc	13,151,323.91	9,858,978.14	1.04
USD	157,400	Dell Inc	16,284,802.60	13,610,477.52	1.43
USD	79,950	Hartford Fin Serv Gr Inc (The)	13,582,735.41	9,734,980.50	1.02
USD	112,700	Hewlett-Packard Co	26,018,509.77	15,653,097.57	1.65
USD	18,100	IBM Corp	19,680,574.35	24,449,350.26	2.57
USD	71,200	Johnson Controls Inc	16,745,216.12	13,626,390.32	1.43

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

## ETHOS FUND - Ethos Global Equities

### Statement of investments and other net assets (in SEK) (continued) as at 30th June 2012

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	45,100	Kimberly-Clark Corp	19,067,804.86	26,093,321.35	2.74
USD	145,000	Kroger Co	23,122,724.80	23,223,787.90	2.44
USD	56,500	Life Technologies Corp	18,543,473.21	17,556,128.32	1.85
USD	2,500	Master Card Inc A	7,583,172.91	7,426,494.34	0.78
USD	115,000	Microsoft Corp	19,037,027.40	24,296,382.88	2.55
USD	100,200	Mylan Inc	14,130,239.59	14,788,923.05	1.55
USD	80,000	Oracle Corp	15,033,557.41	16,410,081.65	1.72
USD	172,700	Pfizer Inc	22,129,771.72	27,433,705.94	2.88
USD	36,100	Procter & Gamble Co	14,675,932.05	15,271,355.97	1.60
USD	40,000	SanDisk Corp	9,915,772.46	10,078,110.75	1.06
USD	51,300	Teva Pharma Ind Ltd ADR repr 1 Share	15,597,273.72	13,973,930.44	1.47
			<u>298,840,189.10</u>	<u>297,452,541.46</u>	<u>31.25</u>
<b>Total shares</b>			<u>929,624,799.96</u>	<u>892,996,814.85</u>	<u>93.81</u>
<b><u>Other transferable securities</u></b>					
<b>Shares</b>					
CAD	56,800	Telus Corp shares Non Canadian	<u>19,852,796.36</u>	<u>23,524,995.37</u>	<u>2.47</u>
<b>Total shares</b>			<u>19,852,796.36</u>	<u>23,524,995.37</u>	<u>2.47</u>
Total investments in securities			<u>949,477,596.32</u>	<u>916,521,810.22</u>	<u>96.28</u>
Cash at banks				34,038,996.43	3.58
Other net assets/ (liabilities)				1,378,857.71	0.14
Total				<u><u>951,939,664.36</u></u>	<u><u>100.00</u></u>

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

## ETHOS FUND - Ethos Global Equities

### Industrial and geographical classification of investments as at 30th June 2012

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#### Industrial classification

(in percentage of net assets)

Pharmaceuticals and biotechnology	14.28 %
Insurance	8.99 %
Telecommunication services	8.75 %
Household and personal products	8.38 %
Banks	8.37 %
Capital goods	8.21 %
Technology hardware and equipment	7.75 %
Consumer durables and apparel	5.24 %
Software and services	5.05 %
Food and beverage	4.85 %
Utilities	4.66 %
Retailing	3.53 %
Materials	3.39 %
Energy	2.52 %
Automobiles and components	1.43 %
Transportation	0.88 %
Total	<u>96.28 %</u>

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

## ETHOS FUND - Ethos Global Equities

### Industrial and geographical classification of investments (continued) as at 30th June 2012

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#### Geographical classification

(by domicile of the issuer)  
(in percentage of net assets)

United States of America	28.31 %
United Kingdom	12.66 %
Switzerland	12.03 %
Germany	9.41 %
The Netherlands	7.64 %
Australia	5.29 %
Italy	4.66 %
Japan	4.21 %
Canada	3.94 %
France	2.28 %
Sweden	2.21 %
Norway	1.67 %
Israel	1.47 %
Austria	0.50 %
Total	<u>96.28 %</u>

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

## **ETHOS FUND**

### **Notes to the financial statements**

as at 30th June 2012

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#### **Note 1 - Significant Accounting policies**

##### **a) Presentation of the financial statements**

The financial statements of the Fund are established in accordance with the Luxembourg legal and regulatory requirements concerning undertakings for collective investment.

The financial statements were drawn up on basis of the net asset value of 29th June 2012 using the last available prices on 29th June 2012.

##### **b) Valuation**

- 1) Securities listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued at the last available price; in the event that there should be several such markets, on the basis of the last available price of the main market for the relevant security. Should the last available price for a given security not truly reflect its fair market value, then that security is valued on the basis of the probable sales price which the Management Company deems it is prudent to assume.
- 2) Securities not listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued on the basis of their last available price. Should the last available price for a given security not truly reflect its fair market value, then that security is valued by the Management Company on the basis of the probable sales price which the Management Company deems it is prudent to assume.
- 3) Securities that are not officially quoted on a stock market are valued at a rate that may not be lower than the buying price and not higher than the selling price at the time of the valuation and which the Management Company maintains to be the best possible rate the securities can be sold for.
- 4) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received are deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof.

##### **c) Net realised gain/(loss) on sales of securities**

The net realised gain/ (loss) on sales of securities is determined on the basis of the average cost of securities sold.

##### **d) Cost of securities**

The acquisition cost of a security denominated in a currency other than that of the Sub-Fund is converted to the Sub-Fund's currency at the exchange rate prevailing on the date of purchase.

##### **e) Exchange translation**

Bank balances, other assets and liabilities and the value of securities held that are denominated in other currencies than the Sub-Fund's currency are converted at the prevailing exchange rate of the closing day. Income and expenses incurred in currencies other than the Sub-Fund's currency are converted at the prevailing exchange rate of the day of each transaction.

## ETHOS FUND

### Notes to the financial statements (continued)

as at 30th June 2012

At the date of the report, the prevailing exchange rates on the closing day were as follows:

1	SEK	=	0.1413472	AUD	Australian Dollar
			0.1476197	CAD	Canadian Dollar
			0.1371007	CHF	Swiss Franc
			0.8485000	DKK	Danish Krona
			0.1141239	EUR	Euro
			0.0923105	GBP	Pound Sterling
			11.5519940	JPY	Japanese Yen
			0.8608288	NOK	Norwegian Krona
			0.1447890	USD	US Dollar

#### f) Consolidation

The consolidated financial statements of the Fund are expressed in SEK and are equal to the sum of the corresponding captions in the financial statements of the Sub-fund.

#### g) Formation expenses

Expenses incurred in connection with the establishment of the Fund are amortised over a period of five years.

#### h) Investment income

Dividend income is recognised on an ex-dividend basis and is recorded net of withholding tax. Interest income is accrued on a *pro rata temporis* basis, net of any withholding tax.

#### **Note 2 - Subscription, redemption and conversion fees**

No subscription, redemption or conversion fees are charged.

#### **Note 3 - Management fees**

The Management Company receives an infrastructure fee, accrued daily and payable monthly in arrears, of 0.025% per annum of the net assets of the Sub-Fund, subject to an annual minimum of EUR 15,000. Furthermore the Management Company is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket expenses and disbursements.

#### **Note 4 - Investment management fee**

The Investment Manager receives out of the Sub-Fund's assets a fee of maximum 0.50% per annum, subject to an annual minimum of SEK 600,000. This fee is payable quarterly in arrears based on the Sub-Fund's average net assets calculated each Valuation Day.

At the date of the report, the applicable annual fee for the investment manager amounts to:

-	Tranche < SEK 250 Mn:	0.50% p.a.
-	Tranche > SEK 250 Mn > SEK 1,000 Mn:	0.35% p.a.
-	Tranche > SEK 1,000 Mn:	0.25% p.a.

## ETHOS FUND

### Notes to the financial statements (continued)

as at 30th June 2012

#### **Note 5 - Central administration cost**

Out of the Sub-Fund's assets, an administration fee consisting of a flat fee of EUR 27,000 per annum plus a variable fee of maximum 0.0758% per annum is payable to the Central Administrator. This fee is accrued on a daily basis, based on the net assets of the Sub-Fund and is paid out monthly in arrears. This fee includes the fee due to the Custodian.

At the date of the report, the applicable rate of administration fee is as follows:

- |                                     |              |
|-------------------------------------|--------------|
| - Tranche < EUR 50 Mn:              | 0.0758% p.a. |
| - Tranche > EUR 50 Mn < EUR 125 Mn: | 0.0576% p.a. |
| - Tranche > EUR 125 Mn:             | 0.0470% p.a. |

#### **Note 6 - Promoter Fee**

The Promoter receives out of the Sub-Fund's assets a fee of maximum 0.05% per annum. This fee is payable monthly in arrears based on the Sub-Fund's average net assets calculated each Valuation Day.

#### **Note 7 - Subscription duty ("*taxe d'abonnement*")**

The Fund is governed by Luxembourg law.

Pursuant to the legislation and regulations which are prevailing, the Fund is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter.

The rate of this tax is reduced to 0.01% of the value of the net assets for Sub-Funds or Classes of units reserved to institutional investors.

According to Article 175 (a) of the Law of 17th December 2010, the net assets invested in Undertakings for Collective Investments already subject to the "*taxe d'abonnement*" are exempt from this tax.

#### **Note 8 - Changes in the investment portfolio**

The statement of changes in the investment portfolio for the period covered by the report is available free of charge upon request from the registered office of the Management Company.

