

**Annual report including audited financial statements
as at 31st December 2016**

RATIONAL ASSET MANAGEMENT

Société d'Investissement à Capital Variable, Luxembourg

R.C.S. Luxembourg B 197 805

Notice

The sole legally binding basis for the purchase of Shares of the Fund described in this report is the latest valid sales prospectus with its terms of contract.

RATIONAL ASSET MANAGEMENT

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RATIONAL ASSET MANAGEMENT

Organisation

Registered Office

4, rue Peternelchen
L-2370 Howald

Board of Directors

Chairman

Rickard LUNDGREN
Independent Director
SteenDier Sàrl
5, rue John Gruen
L-5619 Mondorf-les-Bains
(since 13th December 2016)

Jonas-Petter VON MARTENS
Client Relationship Manager
SEB Fund Services S.A.
4, rue Peternelchen
L-2370 Howald
(from 4th January 2016 to 13th December 2016)

Directors

Erik EDHOLM
Chief Executive Officer
RAM ONE AB
Jakobsbergsgatan 13
SE-111 87 Stockolm

Johanna STRÖMQVIST
Head of Operations
RAM ONE AB
Jakobsbergsgatan 13
SE-111 87 Stockolm

Management Company

SEB Fund Services S.A.
4, rue Peternelchen
L-2370 Howald

Board of Directors of the Management Company

Chairman

Gustaf UNGER
Head of Investor Services, Transaction Banking
Skandinaviska Enskilda Banken AB (publ), Sweden

Directors

Göran FORS
Head of Sales and Market Development
Asset Servicing
Skandinaviska Enskilda Banken AB (publ), Sweden

RATIONAL ASSET MANAGEMENT

Organisation (continued)

Marie JUHLIN
Managing Director
SEB Fund Services S.A., Luxembourg
(since 29th March 2016)

Jonas LINDGREN
Client Executive, Hedge Fund Coverage
Skandinaviska Enskilda Banken AB (publ), Sweden

Erika LUNDQUIST
Managing Director
Skandinaviska Enskilda Banken S.A., Luxembourg
(until 31st October 2016)

Magnus WALLBERG
Deputy Managing Director, CFO/ COO
Skandinaviska Enskilda Banken S.A., Luxembourg
(until 29th March 2016)

Depository

Skandinaviska Enskilda Banken S.A.
4, rue Peternelchen
L-2370 Howald

Central Administration Agent

SEB Fund Services S.A.
4, rue Peternelchen
L-2370 Howald

Administrative Agent, Registrar and Transfer Agent

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

Investment Manager

RAM ONE AB
Jakobsbergsgatan 13
111 87 Stockholm

Auditor

PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator
L-2182 Luxembourg

Placement and Distribution Agent

SEB Fund Services S.A.
4, rue Peternelchen
L-2370 Howald

RATIONAL ASSET MANAGEMENT

General information

Rational Asset Management (the "Fund") was incorporated as an open-ended investment company with variable share capital organised as *a société anonyme* under the laws of the Grand Duchy of Luxembourg on 12th June 2015 and qualifies as *Société d'Investissement à Capital Variable* (SICAV) under Part I of the 2010 Law. The Directive 2014/ 91/ EU of the European Parliament and of the Council of 23rd July 2014 amending the Directive 2009/ 65/ EC had been transposed by the law of 10th May 2016 coming into force on 1st June 2016 and amending the amended law of 17th December 2010.

As from 1st June 2016, publications are made in the "*Recueil électronique des sociétés et associations*" ("RESA") through the website of "*Registre de Commerce et des Sociétés*" of Luxembourg.

The Fund has designated SEB Fund Services S.A., a management company subject to Chapter 15 of the 2010 Law, as its management company (the "Management Company"). The Management Company has appointed RAM ONE AB as Investment Manager of the Fund (the "Investment Manager").

At the date of the financial statements, the following Sub-Fund is offered to investors:

- Rational Asset Management - Equity Long/ Short in SEK.

The following Shares Classes can be offered to investors:

- Class R is available to all kinds of investors,
- Class I is reserved to Institutional Investors,
- Class HNW is only available to High Net Worth individuals;
- Class XC is restricted to RAM Rational Asset Management AB and its affiliates.

The Management Company may decide to issue capitalisation shares ("C" Shares) and distribution shares ("D" Shares).

At the date of the financial statements, Classes RC, IC, XC, HNW ("C" Shares) and ID Shares are issued.

The Net Asset Value of each Class of Shares is calculated for as of each Business Day ("Valuation Day"). A Business Day is a day on which banks are normally open for business in Luxembourg and Stockholm, except for 24th December in each year.

The currency of the Fund is SEK.

The Fund's reporting period begins on 1st January and ends on 31st December of each year. Financial reports of the Fund are published annually and semi-annually.

Copies of the Articles of Incorporation, Prospectus, KIID, material contracts and most recent annual reports and semi-annual reports may be obtained free of charge and upon request, from the registered office of the Fund and are available for inspection during normal business hours, at the registered office of the Fund. Copies of the annual report and semi-annual report may also be obtained free of charge from the Placement and Distribution Agent.

RATIONAL ASSET MANAGEMENT

Report from the Management Company

A year of politics

2016 has been, above all, a year of political upheaval. Events such as the UK's decision to leave the EU (Brexit), the election of Donald Trump as US president, and Italy's rejection of constitutional reform all illustrate general dissatisfaction with the political environment.

Before the results of these three electoral events were available, the market consensus was that the respective election results would lead to a correction in the equity markets. The primary arguments were as follows: Brexit would have a negative impact on the already fragile EU growth rates by increasing uncertainty regarding the future of Europe; the election of Trump would decrease global growth by increasing uncertainty regarding future US policy and Trump's election promise to renegotiate existing trade agreements, and, finally, the Italian referendum would rekindle the euro crisis of 2011-2013 by spotlighting the fundamental political weakness of Europe. Despite the forecasts and discussions, the financial markets and the global economy proved to be highly resilient. The latter displayed such resiliency that growth forecasts for 2017 were revised higher following the US election and predictions about a restart of the business cycle emerged.

However, 2016 turned out to be a year where US equities closed at all-time high levels, nominal rates ended up at higher levels than at the beginning of the year, and the US Federal Reserve (the Fed) made an upwards revision, for the first time ever, of their official estimates for the next year's policy rates. Keep in mind that 2012 was the first time the Fed published these estimates. In general, 2016 was much more positive than expected. This is particularly true for market participants who from the beginning of the year believed in the likelihood of Brexit, Trump, and Italy's no to reform.

In the following paragraphs we present our view of global growth and monetary policy. We discuss the implications of a Trump presidency, and, finally, we present our outlook for the financial markets in 2017.

Global growth

The most notable development in terms of growth in 2016 was the uptick that materialised in Q4. This uptick was a stark contrast to the first three quarters of the year where growth had failed to gain momentum and the global economy appeared to be increasingly fragile. This upswing was so strong and broad-based in terms of geography and sectors, that growth forecasts for 2017 were revised higher. This has led the market to believe the business cycle will continue in a similar manner, keeping the next recession a few years away.

It is not easy to pinpoint the exact cause of the sudden revival of the global economy. It started to materialise in the months following Brexit and prior to the US election. One could even argue that the US election results have acted as a growth factor in terms of planned fiscal stimulus. Regardless of the exact cause of the global revival, the growth pattern followed that of a normal recovery: first we saw strength in the sentiment indicators for manufacturing companies; then this spread to non-manufacturing sectors. Finally, growth was also apparent in real production and consumption numbers. At the end of Q4 the US economy appeared to be growing by more than 2.5% (Atlanta Federal Reserve estimate); a figure last surpassed in 2014.

Although many of the positive surprises in terms of growth appeared in the US, it is important to note that the recovery was generally broad based across the globe. As such, we saw stronger data from both Europe and emerging markets. It is especially worth noting that emerging markets in Asia gained speed thanks to the global trade recovery which, for years, indicated a moderating trend. The fact that the recovery was so broad-based increased market confidence to the degree that the recovery would prove to be more stable than all the mini-recoveries since 2009.

RATIONAL ASSET MANAGEMENT

Report from the Management Company (continued)

Monetary policy

In contrast to the past five or six years, monetary policy declined in importance for the financial markets relative to the macro outlook. In other words, the financial markets were driven by expectations of growth to a higher extent than by future central bank action.

Despite this, we did see a range of notable developments in central bank policies over the year: The Fed hiked rates in December 2016 and forecasted a more aggressive rate-hike cycle than previously communicated. The ECB surprised the markets by describing how their quantitative easing program would cut back on monthly purchases. Whether this acted positively or negatively on the markets can be debated, but it is clear that the Fed's intention for a steeper rate-hike cycle would have had a distinctly negative effect on financial markets just 6-12 months ago. However, because the Fed's message focused on stronger growth, not just higher inflation, the market ignored the information regarding steeper rate hikes. This more than any other factor signaled the shift in focus for the markets from monetary policy to growth expectations.

Going forward, we note that the current rate hike cycle in the US is unlike anything that we have seen in the past. This in itself makes it more difficult to draw any firm conclusions about the possible impact of higher US rates on the financial markets. With that said, it is important to note that the fiscal stimulus that is expected from the Trump presidency comes at a time when the US labour market already looks tight. This increases the risk for increasing inflationary pressures in the US and the possibility of the Fed reacting by being even more aggressive than originally communicated. We believe this is one of the main risks for 2017.

Trump

In our view, the positive market reaction to the US election results was a reaction to strong growth in the US economy rather than the prospect of a Trump presidency. Although fiscal stimulus looks set to increase US growth in the coming one to two years, it is important to note that the plans did not differ materially from Hillary Clinton's proposal. The difference is more in the composition of the stimulus than anything else.

We believe growth will be Trump's overriding focus. Consequently, growth reduction schemes, such as aggressive trade wars with China, will most likely be diluted in the coming quarters.

Luxembourg, 23rd February 2017

The Management Company

Note: The information in this report represents historical data and is not an indication of future results.



Audit Report

To the Shareholders of
RATIONAL ASSET MANAGEMENT

We have audited the accompanying financial statements of RATIONAL ASSET MANAGEMENT, which comprise the statement of net assets and the statement of investments and other net assets as at 31st December 2016 and the statement of operations and other changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Board of Directors of the SICAV for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



Audit Report (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of RATIONAL ASSET MANAGEMENT as of 31st December 2016, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other information

The Board of Directors of the SICAV is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 29th March 2017

A blue ink signature of Thierry Blondeau, consisting of a stylized 'T' and 'B' followed by a long horizontal flourish.

Thierry Blondeau

RATIONAL ASSET MANAGEMENT

Combined statement of net assets (in SEK)

as at 31st December 2016

Assets

Securities portfolio at market value	1,354,183,206.23
Option contracts at market value	36,168,677.41
Deposits on financial instruments	10,539,922.00
Cash at banks	231,535,398.11
Other liquid assets	72.40
Formation expenses, net	351,006.04
Receivable on sales of securities	41,474,028.53
Receivable on swaps contracts	501,743.00
Receivable on issues of shares	270,490.98
Income receivable on portfolio	476,265.54
Interest receivable on swaps contracts	16,352.21
Interest receivable on bank accounts	69.55
Unrealised gain on futures contracts	293,192.71
Unrealised gain on swaps contracts	1,794,383.47
Unrealised gain on forward foreign exchange contracts	920,660.61
Other receivables	1,035,227.29
Total assets	1,679,560,696.08

Liabilities

Bank overdrafts	120,296,513.20
Other liquid liabilities	482,047.37
Short option contracts at market value	1,214,640.75
Payable on purchases of securities	10,393,497.46
Payable on redemptions of shares	485,533.18
Interest payable on swap contracts	67,502.14
Accrued interest on cash collateral paid	5,406.32
Expenses payable	4,069,873.04
Other liabilities	1,381,620.00
Total liabilities	138,396,633.46
Net assets at the end of the year	1,541,164,062.62

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

RATIONAL ASSET MANAGEMENT

Combined statement of operations and other changes in net assets (in SEK)

from 1st January 2016 to 31st December 2016

Income

Dividends, net	30,718,741.47
Interest on bank accounts	2,382.36
Total income	30,721,123.83

Expenses

Management fees	14,410,479.81
Performance fees	2,571,275.33
Depositary fees	245,509.24
Banking charges and other fees	217,597.92
Transaction fees	6,703,525.70
Central administration costs	1,512,591.65
Professional fees	243,919.18
Other administration costs	305,354.90
Subscription duty ("taxe d'abonnement")	553,062.93
Bank interest paid	333,903.07
Other expenses	94,737.85
Total expenses	27,191,957.58

Net investment income	3,529,166.25
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Net realised gain/(loss)

- on securities portfolio	81,232,154.04
- on option contracts	-100,605,534.38
- on futures contracts	42,423,386.48
- on swaps contracts	-66,332,998.44
- on forward foreign exchange contracts	-28,349,985.51
- on foreign exchange	5,358,051.76
Realised result	-62,745,759.80

Net variation of the unrealised gain/(loss)

- on securities portfolio	120,253,729.40
- on option contracts	-11,662,096.75
- on futures contracts	-3,131,632.88
- on swaps contracts	2,195,709.32
- on forward foreign exchange contracts	1,511,352.56

Result of operations	46,421,301.85
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Dividends paid	-998,154.52
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Subscriptions	774,488,148.31
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Redemptions	-214,936,778.74
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Total changes in net assets	604,974,516.90
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Total net assets at the beginning of the year	936,189,545.72
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Total net assets at the end of the year	1,541,164,062.62
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The accompanying notes are an integral part of these financial statements.

RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT

Statement of net assets (in SEK)

as at 31st December 2016

Assets

Securities portfolio at market value	1,354,183,206.23
Option contracts at market value	36,168,677.41
Deposits on financial instruments	10,539,922.00
Cash at banks	231,535,398.11
Other liquid assets	72.40
Formation expenses, net	351,006.04
Receivable on sales of securities	41,474,028.53
Receivable on swaps contracts	501,743.00
Receivable on issues of shares	270,490.98
Income receivable on portfolio	476,265.54
Interest receivable on swaps contracts	16,352.21
Interest receivable on bank accounts	69.55
Unrealised gain on futures contracts	293,192.71
Unrealised gain on swaps contracts	1,794,383.47
Unrealised gain on forward foreign exchange contracts	920,660.61
Other receivables	1,035,227.29
Total assets	1,679,560,696.08

Liabilities

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Other liquid liabilities	482,047.37
Short option contracts at market value	1,214,640.75
Payable on purchases of securities	10,393,497.46
Payable on redemptions of shares	485,533.18
Interest payable on swaps contracts	67,502.14
Accrued interest on cash collateral paid	5,406.32
Expenses payable	4,069,873.04
Other liabilities	1,381,620.00
Total liabilities	138,396,633.46
Net assets at the end of the year	1,541,164,062.62

Number of HN W (SEK) Shares outstanding	4,895,282.019
Net asset value per HN W (SEK) Share	103.32879
Number of IC (H-EUR) Shares outstanding	10,600.000
Net asset value per IC (H-EUR) Share	EUR 103.56899
Number of IC (SEK) Shares outstanding	3,734,637.102
Net asset value per IC (SEK) Share	103.40109
Number of ID (SEK) Shares outstanding	264,809.680
Net asset value per ID (SEK) Share	99.27371

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

RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT

Statement of net assets (in SEK) (continued)

as at 31st December 2016

Number of RC (H-EUR) Shares outstanding	10,600.000
Net asset value per RC (H-EUR) Share	EUR 102.96708
Number of RC (SEK) Shares outstanding	4,103,053.076
Net asset value per RC (SEK) Share	102.77838
Number of XC (SEK) Shares outstanding	1,706,340.890
Net asset value per XC (SEK) Share	105.60015

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

RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT

Statement of operations and other changes in net assets (in SEK)

from 1st January 2016 to 31st December 2016

Income

Dividends, net	30,718,741.47
Interest on bank accounts	2,382.36
Total income	30,721,123.83

Expenses

Management fees	14,410,479.81
Performance fees	2,571,275.33
Depositary fees	245,509.24
Banking charges and other fees	217,597.92
Transaction fees	6,703,525.70
Central administration costs	1,512,591.65
Professional fees	243,919.18
Other administration costs	305,354.90
Subscription duty ("taxe d'abonnement")	553,062.93
Bank interest paid	333,903.07
Other expenses	94,737.85
Total expenses	27,191,957.58

Net investment income	3,529,166.25
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Net realised gain/(loss)

- on securities portfolio	81,232,154.04
- on option contracts	-100,605,534.38
- on futures contracts	42,423,386.48
- on swaps contracts	-66,332,998.44
- on forward foreign exchange contracts	-28,349,985.51
- on foreign exchange	5,358,051.76
Realised result	-62,745,759.80

Net variation of the unrealised gain/(loss)

- on securities portfolio	120,253,729.40
- on option contracts	-11,662,096.75
- on futures contracts	-3,131,632.88
- on swaps contracts	2,195,709.32
- on forward foreign exchange contracts	1,511,352.56

Result of operations	46,421,301.85
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Dividends paid	-998,154.52
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Subscriptions	774,488,148.31
---------------	----------------

Redemptions	-214,936,778.74
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Total changes in net assets	604,974,516.90
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Total net assets at the beginning of the year	936,189,545.72
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Total net assets at the end of the year	1,541,164,062.62
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The accompanying notes are an integral part of these financial statements.

RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT

Statistical information (in SEK)

as at 31st December 2016

Total net assets	
- as at 31.12.2016	1,541,164,062.62
- as at 31.12.2015	936,189,545.72
Number of HN W (SEK) Shares outstanding	
- outstanding at the beginning of the year	2,829,256.160
- issued	2,618,027.772
- redeemed	-552,001.913
- outstanding at the end of the year	4,895,282.019
Net asset value per HN W (SEK) Share	
- as at 31.12.2016	103.32879
- as at 31.12.2015	99.89709
Number of IC (H-EUR) Shares outstanding	
- outstanding at the beginning of the year	10,600.000
- issued	0.000
- redeemed	0.000
- outstanding at the end of the year	10,600.000
Net asset value per IC (H-EUR) Share	
- as at 31.12.2016	EUR 103.56899
- as at 31.12.2015	EUR 99.94573
Number of IC (SEK) Shares outstanding	
- outstanding at the beginning of the year	1,262,214.866
- issued	2,610,154.521
- redeemed	-137,732.285
- outstanding at the end of the year	3,734,637.102
Net asset value per IC (SEK) Share	
- as at 31.12.2016	103.40109
- as at 31.12.2015	99.93133
Number of ID (SEK) Shares outstanding	
- outstanding at the beginning of the year	225,007.861
- issued	39,801.819
- redeemed	0.000
- outstanding at the end of the year	264,809.680
Net asset value per ID (SEK) Share	
- as at 31.12.2016	99.27371
- as at 31.12.2015	99.91529
Dividend paid	
Ex-dividend date	03.10.2016
Dividend per share	4.08
Shares outstanding at dividend date	244,645.716
Number of RC (H-EUR) Shares outstanding	
- outstanding at the beginning of the year	10,600.000
- issued	0.000
- redeemed	0.000
- outstanding at the end of the year	10,600.000
Net asset value per RC (H-EUR) Share	
- as at 31.12.2016	EUR 102.96708
- as at 31.12.2015	EUR 99.78726

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

RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT

Statistical information (in SEK) (continued)

as at 31st December 2016

Number of RC (SEK) Shares outstanding	
- outstanding at the beginning of the year	3,432,350.212
- issued	2,118,218.250
- redeemed	-1,447,515.386
<hr/>	<hr/>
- outstanding at the end of the year	4,103,053.076
Net asset value per RC (SEK) Share	
- as at 31.12.2016	102.77838
- as at 31.12.2015	99.75019
Number of XC (SEK) Shares outstanding	
- outstanding at the beginning of the year	1,419,619.853
- issued	286,721.037
- redeemed	0.000
<hr/>	<hr/>
- outstanding at the end of the year	1,706,340.890
Net asset value per XC (SEK) Share	
- as at 31.12.2016	105.60015
- as at 31.12.2015	100.85180

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

RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT

Statement of investments and other net assets (in SEK)

as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
DKK	196,358	Scandinavian Tobacco Gr AS	26,253,747.26	30,104,801.80	1.95
EUR	39,260	Bayerische Motorenwerke AG	31,434,445.24	33,408,447.75	2.17
EUR	45,466	Continental AG	78,158,777.92	80,081,748.05	5.20
EUR	60,600	Daimler AG Reg	41,725,537.03	41,091,549.37	2.67
EUR	87,500	DNA Plc Reg	8,648,581.05	8,515,531.03	0.55
EUR	431,500	Schaeffler AG Pref	54,153,407.43	58,149,942.63	3.77
EUR	528,000	Stora Enso Oyj R	39,698,710.76	51,688,901.81	3.35
			253,819,459.43	272,936,120.64	17.71
NOK	300,000	Arcus ASA Reg	14,101,782.52	14,099,825.73	0.92
NOK	199,020	Entra ASA	14,844,346.29	18,024,504.30	1.17
NOK	54,000	Schibsted ASA B	10,273,664.84	10,437,039.54	0.68
NOK	27,157	Wilh Wilhelmsen Hg ASA A	5,678,016.47	5,679,099.29	0.37
NOK	42,591	Wilh Wilhelmsen Hg ASA B	5,996,724.78	8,749,231.79	0.57
			48,903,534.90	56,989,700.65	3.71
SEK	189,474	Alfa Laval AB	25,522,631.94	28,572,679.20	1.85
SEK	304,777	Atlas Copco AB B	66,365,709.29	75,767,562.20	4.92
SEK	448,020	Catena Media Plc	18,192,180.56	39,201,750.00	2.54
SEK	331,585	CLX Communications AB	20,587,496.29	32,163,745.00	2.09
SEK	454,511	Dometic Group AB	25,056,166.57	30,429,511.45	1.97
SEK	328,111	Hennes & Mauritz AB B	85,226,552.27	83,143,327.40	5.40
SEK	234,892	Husqvarna AB B	14,100,335.44	16,642,098.20	1.08
SEK	10,544	ICA Gruppen AB	3,114,820.85	2,930,177.60	0.19
SEK	4,672	Industrivaerden AB A	749,877.44	841,894.40	0.06
SEK	78,704	Inwido AB	7,090,363.01	7,437,528.00	0.48
SEK	77,300	Lifco AB B	15,925,572.32	18,026,360.00	1.17
SEK	197,898	Millicom Intl Cellular SA SDR	88,128,332.04	77,041,691.40	5.00
SEK	418,483	Nordea Bank AB	33,907,597.90	42,392,327.90	2.75
SEK	52,440	Pandox AB B	7,036,704.06	7,415,016.00	0.48
SEK	462,500	Ratos AB B	18,226,925.26	19,952,250.00	1.29
SEK	145,346	Saab AB B	36,832,337.45	49,490,313.00	3.21
SEK	91,932	Sandvik AB	8,107,078.58	10,360,736.40	0.67
SEK	192,000	Scandi Standard AB	10,217,842.89	10,944,000.00	0.71
SEK	19,331	Skanska AB B	3,646,087.10	4,158,098.10	0.27
SEK	36,685	SSAB AB A	1,089,936.90	1,268,567.30	0.08
SEK	216,000	SSAB AB B	4,433,791.55	6,218,640.00	0.40
SEK	130,323	Svenska Cellulosa SCA AB B	33,010,833.01	33,532,107.90	2.18
SEK	121,386	Svenska Handelsbanken AB A	13,335,358.23	15,367,467.60	1.00
SEK	195,176	Swedbank AB A	34,755,694.57	42,997,272.80	2.79
SEK	52,346	Swedish Match AB	14,500,474.30	15,169,870.80	0.98
SEK	1,160,564	Tele2 AB B	87,106,458.44	84,779,200.20	5.50
SEK	62,535	Telefon AB LM Ericsson B	3,828,090.98	3,345,622.50	0.22
SEK	437,500	THQ Nordic AB Reg B	8,750,000.00	14,525,000.00	0.94
SEK	557,898	Volvo AB B	53,989,917.42	59,360,347.20	3.85
			742,835,166.66	833,475,162.55	54.07
USD	22,634	Alibaba Group Holding Ltd ADR repr 1 Share	14,531,879.68	18,069,875.58	1.17
USD	20,061	Comcast Corp A	10,832,742.07	12,594,070.92	0.82
			25,364,621.75	30,663,946.50	1.99
Total shares			1,097,176,530.00	1,224,169,732.14	79.43

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

RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT

Statement of investments and other net assets (in SEK) (continued) as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Money market instruments					
SEK	50,000,000	Boliden AB 0% CP 16/ 11.01.17	49,979,563.90	49,997,556.55	3.24
SEK	30,000,000	Getinge AB 0% CP 16/ 11.01.17	29,985,673.50	29,998,167.54	1.95
SEK	50,000,000	Sweden 0% T-Bills Ser 1701 16/ 18.01.17	50,070,989.54	50,017,750.00	3.25
Total money market instruments			130,036,226.94	130,013,474.09	8.44
Total investments in securities			1,227,212,756.94	1,354,183,206.23	87.87
Options					
Listed financial instruments					
Options on transferable securities					
EUR	720	Bayerische Motorenwerke AG CALL 01/ 17 EUX 86	1,813,427.99	2,664,755.96	0.17
EUR	1,200	Daimler AG Reg CALL 03/ 17 EUX 72	3,402,534.73	3,026,039.80	0.20
EUR	5,000	UPM-Kymmene Corp PUT 02/ 17 EUX 21	3,710,205.17	910,880.17	0.06
			8,926,167.89	6,601,675.93	0.43
SEK	1,200	Hennes & Mauritz AB B CALL 02/ 17 OMX 280	1,080,000.00	194,400.00	0.01
SEK	3,600	Sandvik AB PUT 02/ 17 OMX 112.5	1,440,000.00	1,461,600.00	0.09
SEK	1,200	Tele2 AB B CALL 02/ 17 OMX 75	162,000.00	172,800.00	0.01
			2,682,000.00	1,828,800.00	0.11
USD	625	Comcast Corp A CALL 01/ 17 OPRA 72.5	511,362.13	147,741.75	0.01
USD	562	Comcast Corp A CALL 04/ 17 OPRA 65	936,517.04	3,065,754.96	0.20
			1,447,879.17	3,213,496.71	0.21
Total options on transferable securities			13,056,047.06	11,643,972.64	0.75
Index options					
EUR	300	DAX Germany Index PUT 01/ 17 EUX 11000	764,096.32	657,271.95	0.04
EUR	247	DAX Germany Index PUT 03/ 17 EUX 10200	3,110,614.63	1,006,522.58	0.07
EUR	480	Euro Stoxx 50 EUR (Price) Index CALL 01/ 17 EUX 3200	1,117,831.42	4,919,903.48	0.32
EUR	375	Euro Stoxx 50 EUR (Price) Index PUT 03/ 17 EUX 2850	2,956,778.88	711,924.76	0.05
			7,949,321.25	7,295,622.77	0.48
SEK	2,000	OMX Stockholm 30 Index PUT 03/ 17 OMX 1300	6,890,000.00	940,000.00	0.06
SEK	1,470	OMX Stockholm 30 Index PUT 03/ 17 OMX 1400	4,318,500.00	2,094,750.00	0.14
SEK	1,560	OMX Stockholm 30 Index PUT 06/ 17 OMX 1380	6,318,000.00	6,024,720.00	0.39
SEK	1,560	OMX Stockholm 30 Index PUT 06/ 17 OMX 1400	7,149,000.00	6,896,760.00	0.45
			24,675,500.00	15,956,230.00	1.04
Total index options			32,624,821.25	23,251,852.77	1.52
Options on futures					
USD	175	S&P 500 E MINI Future Jun 09 PUT 03/ 17 CME 2050	4,754,891.96	1,272,852.00	0.08
Total options on futures			4,754,891.96	1,272,852.00	0.08
Total options			50,435,760.27	36,168,677.41	2.35

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

RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT

Statement of investments and other net assets (in SEK) (continued)
as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Short options</u>					
<u>Listed financial instruments</u>					
Options on transferable securities					
EUR	-720	Bayerische Motorenwerke AG CALL 01/ 17 EUX 92	-463,900.18	-669,640.75	-0.04
SEK	-5,000	SSAB AB A CALL 01/ 17 OMX 35	-700,000.00	-545,000.00	-0.04
Total short options			<u>-1,163,900.18</u>	<u>-1,214,640.75</u>	<u>-0.08</u>
Cash at banks				231,535,398.11	15.02
Bank overdrafts				-120,296,513.20	-7.81
Other net assets/ (liabilities)				40,787,934.82	2.65
Total				<u><u>1,541,164,062.62</u></u>	<u><u>100.00</u></u>

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

RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT

Industrial and geographical classification of investments

as at 31st December 2016

Industrial classification

(in percentage of net assets)

Automobiles and components	17.66 %
Capital goods	11.40 %
Telecommunication services	11.05 %
Consumer durables and apparel	9.39 %
Raw materials	7.07 %
Banks	6.54 %
Software and services	5.80 %
Food, beverage and tobacco	4.56 %
Countries and governments	3.25 %
Household and personal products	2.18 %
Health care equipment and services	1.95 %
Media	1.50 %
Investment companies	1.29 %
Diversified financial services	1.23 %
Real estate	1.17 %
Transportation	0.94 %
Hotels, restaurants and leisure	0.48 %
Technology hardware and equipment	0.22 %
Food retailing, drugstores and pharmacies	0.19 %
Total	<u>87.87 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Sweden	54.97 %
Germany	13.81 %
Luxembourg	5.00 %
Finland	3.90 %
Norway	3.71 %
Malta	2.54 %
Denmark	1.95 %
Cayman Islands	1.17 %
United States of America	0.82 %
Total	<u>87.87 %</u>

RATIONAL ASSET MANAGEMENT

Notes to the financial statements

as at 31st December 2016

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 are presented on the basis of the Net Asset Value of the Sub-Fund calculated as at 31st December 2016. In accordance with the prospectus, the last official trading Net Asset Value of the corresponding Sub-Fund has been calculated as at 30th December 2016 as the Net Asset Value is not calculated as at 31st December 2016. Nevertheless, an additional Net Asset Value has been calculated as at 31st December 2016 for reporting purpose and is disclosed in these financial statements.

b) Valuation

- i. The value of any cash in 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 shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Fund may consider appropriate in such case to reflect the true value thereof;
- ii. The value of any securities, money market instruments and derivative instruments is determined on the basis of the last available price on the stock exchange or any other Regulated Market as aforesaid on which these securities, money market instruments or derivative instruments are traded or admitted for trading unless otherwise mentioned in the relevant Appendix for each Sub-Fund. Where such securities, money market instruments or derivative instruments are quoted or dealt in on one or more than one stock exchange or on any other Regulated Market, the Directors shall make regulations for the order of priority in which stock exchanges or other Regulated Markets shall be used for the provision of prices of securities, money market or derivative instruments;
- iii. If a security, money market instrument or derivative instrument is not traded or admitted on any official stock exchange or any Regulated Market, or in the case of securities, money market instruments and derivative instruments so traded or admitted the last available price of which does not reflect their true value, the Directors are required to proceed on the basis of their expected sales price, which shall be valued with prudence and in good faith;
- iv. Swaps contracts are valued at the market value fixed in good faith by the Directors and according to generally accepted valuation rules. Asset based swap contracts are valued by reference to the market value of the underlying assets. Cash flow based swap contracts are valued by reference to the net present value of the underlying future cash flows;
- v. The value of any security which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price;
- vi. If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Fund's assets, the Directors may fix different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.

RATIONAL ASSET MANAGEMENT

Notes to the financial statements (continued)

as at 31st December 2016

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

The 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 into 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. Exchange gains and losses are recorded in the statement of operations and other changes in net assets.

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

1	SEK	=	0.1117710	CHF	Swiss Franc
			0.7755230	DKK	Danish Krona
			0.1042947	EUR	Euro
			0.0890205	GBP	Pound Sterling
			0.9468202	NOK	Norwegian Krona
			0.1099892	USD	US Dollar

f) Combined financial statements

The combined 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 only Sub-Fund.

g) Formation expenses

Expenses incurred in connection with the establishment of the Fund and the creation of the Sub-Fund are amortised on a straight line basis over a period of five years.

Formation expenses are included in the caption "Other expenses" in the statement of operations and other changes in net assets.

h) Investment income

Dividend income is recognised on an ex-dividend basis and is recorded net of withholding tax.

i) Other liquid liabilities / Other liquid assets

The captions "Other liquid liabilities" and "Other liquid liabilities" is mainly composed of cash accounts held at brokers.

RATIONAL ASSET MANAGEMENT

Notes to the financial statements (continued)

as at 31st December 2016

j) Forward foreign exchange contracts

Forward foreign exchange contracts are valued at prevailing market rates for the remaining period from valuation day to the maturity of the contracts. Unrealised gain/ (loss) is recorded in the statements of net assets. Net variation of the unrealised gain/ (loss) and the net realised gain/ (loss) are recorded in the statement of operations and other changes in net assets.

k) Futures contracts

Futures contracts are posted off-balance sheet and are valued at the last available price applicable to the asset. Unrealised gain/ (loss) is recorded in the statement of net assets. Net variation of the unrealised gain/ (loss) and net realised gain/ (loss) are recorded in the statement of operations and other changes in net assets.

The net realised gain/ (loss) on futures contracts is determined based on the FIFO Method.

l) Options contracts

Premiums received on the sale of options are recorded as liabilities, and premiums paid on the purchase of options are carried separately as assets. Unrealised gain/ (loss) is recorded in the statement of net assets. Net realised gain/ (loss) and net variation of the unrealised gain/ (loss) on options are recorded in the statement of operations and other changes in net assets.

The net realised gain/ (loss) on options contracts is determined based on the FIFO Method.

m) Swap contracts

Swap contracts are valued based on a calculation of the net present value of their expected cash flows. Unrealised gain/ (loss) is recorded in the statements of net assets. Net variation of the unrealised gain/ (loss) and net realised gain/ (loss) are recorded in the statement of operations and other changes in net assets.

n) Transaction fees

Transaction costs disclosed under the caption "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Fund relating to purchases or sales of securities, of fees relating to liquidation of transactions paid to the depository and of transaction fees on financial and on derivatives instruments.

Note 2 - Subscription and redemption fees

A subscription charge of up to 3% of the Net Asset Value may be levied for the benefit of financial intermediaries. The subscription charge is to be considered as a maximum rate and reverts to the financial intermediaries including the Global Distributor.

No redemption fee shall be charged.

RATIONAL ASSET MANAGEMENT

Notes to the financial statements (continued)

as at 31st December 2016

Note 3 - Management fees

For its services, the Management Company, SEB Fund Services S.A., receives a management company fee, accrued daily and payable monthly in arrears, of maximum 0.10 % p.a. of the net assets of the Sub-Fund, subject to an annual minimum of EUR 28 000 for the Sub-Fund.

The Management Company further receives a fee for the provision of risk management services and is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out of pocket expenses and disbursements.

These fees are recorded under the caption "Management fees" in the "Statement of operations and other changes in net assets".

Note 4 - Investment management fees

The Investment Manager, RAM ONE AB, receives an investment management fee, accrued daily and payable monthly in arrears, based on the net assets of the Sub-Fund as detailed below:

Class	Investment Management Fee
RC(SEK)	1.50% pa
RC(H-EUR)	1.50% pa
IC(SEK)	1.00% pa
IC(H-EUR)	1.00% pa
XC(SEK)	NA
ID(SEK)	1.00% pa
HNW(SEK)	1.00% pa

The Investment Manager may in its absolute discretion waive charges and/ or fees and may rebate any fees payable to it, to an investor or a distributor or to any other person or entity at its discretion.

These fees are recorded under the caption "Management fees" in the "Statement of operations and other changes in net assets".

Note 5 - Performance fees

In addition to the investment management fee, the Investment Manager, RAM ONE AB, receives a Performance Fee calculated and charged as follows for all Classes except XC(SEK) class, as specified in the table below:

Performance Fee Mechanism	High Water Mark
Performance Fee Calculation Period	Monthly
Performance Fee Benchmark	NA
Performance Fee Rate	20%

The Performance Fee is equal to the given percentage (the "Performance Fee Rate") of the Class Return in excess of the greater of the Benchmark Return and the High Water Mark Return, where applicable, (the "Excess Return"). The Performance Fee is calculated and accrued on each Valuation Day as an

RATIONAL ASSET MANAGEMENT

Notes to the financial statements (continued)

as at 31st December 2016

expense of the relevant Class and is payable to the Investment Manager in arrears at the end of each Calculation Period.

The "High Water Mark Return" is defined as the return necessary, since the start of the Calculation Period, to equal the Net Asset Value per Share of each Class of each Sub-Fund at the end of the previous Calculation Period in which a Performance Fee was charged. If no Performance Fee has been charged since the launch of the Class, the High Water Mark Return is the return necessary to equal the initial Net Asset Value per Share of that Class.

No Performance Fee is levied on the "XC" Class. Such Class is restricted to RAM Rational Asset Management AB and its affiliates.

At the date of the financial statements a performance fee of SEK 2,571,275.33 was recorded.

Note 6 - Central Administration cost

The Central Administration Agent is entitled to receive out of the Sub-Fund's assets, an administration fee consisting of a flat fee of EUR 29 500 p.a. plus maximum 0.07% payable to the Central Administration Agent. The fee is accrued on a daily basis, based on the net assets of the Sub-Fund and is paid out monthly in arrears.

The Central Administration Agent is furthermore entitled to receive out of the Sub-Fund's assets, in respect of the register and transfer agent functions, further fees for each additional active Class of Shares and for any additional services in accordance with Luxembourg customary banking practice, accrued daily and payable monthly in arrears.

The Central Administration Agent is also compensated for all reasonable out of pocket expenses.

Note 7 - Depositary fees

The Depositary receives a depositary fee determined as an annual percentage calculated per market on a monthly basis based on the Sub-Fund's assets and paid monthly in arrears. The Depositary is further entitled to receive a supervisory fee of 0.015% p.a. based on the Sub-Fund's assets.

In addition, the Depositary is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out of pocket expenses and disbursements.

Note 8 - 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 shares reserved for institutional investors

RATIONAL ASSET MANAGEMENT

Notes to the financial statements (continued)

as at 31st December 2016

According to Article 175 (a) of the amended 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 9 - Forward foreign exchange contracts

As at 31st December 2016, the Sub-Fund is committed in the following forward foreign exchange contracts with Skandinaviska Enskilda Banken S.A. in Luxembourg:

RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT					
Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
Forward foreign exchange contracts					
SEK	108,476,907.00	EUR	11,165,000.00	01.02.2017	1,462,955.03
SEK	7,644,068.00	EUR	800,000.00	01.02.2017	-23,747.64
SEK	183,504,480.00	EUR	19,200,000.00	01.02.2017	-523,095.27
SEK	43,537,488.00	USD	4,800,000.00	01.02.2017	-18,948.68
SEK	6,161,078.80	USD	680,000.00	01.02.2017	-9,416.40
					887,747.04
Forward foreign exchange contracts linked to class RC (H-EUR) and to Class IC (H-EUR)					
EUR	1,093,957.00	SEK	10,469,168.49	31.01.2017	16,409.22
EUR	1,100,299.00	SEK	10,529,861.43	31.01.2017	16,504.35
					32,913.57

Note 10 - Future contracts

As at 31st December 2016, the Sub-Fund is committed in the following future contracts:

RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT					
	Number of contracts	Denomination	Currency	Exposure (in SEK)	Unrealised result (in SEK)
Sale	324	Euro Stoxx 50 EUR (Price) Index FUT 03/ 17 EUX	EUR	-101,802,652.11	-1,035,227.29
Sale	532	OMX Stockholm 30 Index FUT 01/ 17 OMX	SEK	-80,810,800.00	1,328,420.00
					293,192.71

Note 11 - Short option contracts

As at 31st December 2016, the Sub-Fund is committed in the following short option contracts:

RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT				
Currency	Number	Denomination		Commitment (in SEK)
Options on transferable securities				
EUR	720	Bayerische Motorenwerke AG CALL 01/ 17 EUX 92		17,706,647.50
SEK	5,000	SSAB AB A CALL 01/ 17 OMX 35		8,281,910.00
				25,988,557.50

RATIONAL ASSET MANAGEMENT

Notes to the financial statements (continued)

as at 31st December 2016

Note 12 - Swap contracts

As at 31st December 2016, the Sub-Fund is committed in the following Equity swap contracts with Skandinaviska Enskilda Banken AB (publ), Stockholm:

Currency	Notional	Payable Leg	Receivable Leg	Maturity	Underlying exposure (in SEK)	Unrealised result (in SEK)
GBP	3,655,666.00	GBP LIBOR 1M+ 0.40%	Vodafone Group Plc	17.11.2017	41,158,136.87	92,675.33
EUR	4,251,465.43	Elisa Corp	EUR EURIBOR 1W - 0.40%	28.04.2017	-41,267,984.17	-504,031.13
EUR	1,197,680.02	Faurecia SA	EUR EURIBOR 1M - 0.40%	07.03.2017	-11,521,143.48	-37,533.25
EUR	1,834,009.17	Metso Oyj	EUR EURIBOR 1W - 0.50%	19.09.2017	-17,322,790.13	262,079.11
EUR	4,424,479.05	Michelin SA	EUR EURIBOR 1M - 0.40%	31.08.2017	-42,163,560.40	259,283.96
EUR	2,302,210.14	Telefonica SA	EUR EURIBOR 1W - 0.40%	31.08.2017	-22,143,970.12	-69,890.59
EUR	3,186,354.81	UPM-Kymmene Corp	EUR EURIBOR 1W - 0.40%	31.08.2017	-30,586,344.44	-34,898.12
SEK	85,581,381.60	Atlas Copco AB A	SEK STIBOR 1W - 0.40%	21.07.2017	-84,575,617.50	1,005,764.10
SEK	3,477,964.08	Com Hem Holding AB	SEK STIBOR 1W - 0.50%	31.08.2017	-3,483,299.60	-5,335.52
SEK	16,027,000.00	Fabege AB	SEK STIBOR 1W - 0.50%	31.08.2017	-16,379,000.00	-352,000.00
SEK	57,638,687.10	Industrivaerden AB C	SEK STIBOR 1W - 0.50%	31.08.2017	-57,981,436.20	-342,749.10
SEK	26,624,416.00	Sandvik AB	SEK STIBOR 1W - 0.40%	27.04.2017	-26,137,384.00	487,032.00
SEK	12,009,600.00	SKF AB B	SEK STIBOR 1W - 0.40%	13.12.2017	-12,067,200.00	-57,600.00
SEK	10,264,320.00	SSAB AB A	SEK STIBOR 1W - 8.00%	26.10.2017	-9,959,040.00	305,280.00
USD	8,965,030.00	AT&T Inc	USD LIBOR 1W - 0.40%	31.08.2017	-81,278,928.19	229,331.56
USD	3,200,139.30	Caterpillar Inc	USD LIBOR 1W - 0.40%	31.08.2017	-28,538,051.36	556,975.12
					<u>-444,247,612.72</u>	<u>1,794,383.47</u>

Note 13 - Collateral and pledged assets

As at 31st December 2016, the following securities serve as collateral given for potential commitment on derivative positions. The counterparty of the following positions is Skandinaviska Enskilda Banken S.A. in Luxembourg:

RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT

Currency	Number	Description	Collateral Value (in SEK)
SEK	947,500.00	Tele2 AB B	69,214,875.00
			<u>69,214,875.00</u>

As at 31st December 2016, the Sub-Fund has pledged assets as described below for potential commitment on derivative positions:

- cash pledged as collateral at Skandinaviska Enskilda Banken AB (publ) Stockholm for an amount of SEK 10,539,922.00

These assets are recorded under the caption "Deposits on financial instruments" in the "Statement of net assets".

Note 14 - Changes in the investment portfolio

The statement of changes in the investment portfolio for the period covered by the financial statements is available free of charge upon request from the registered office of the Fund.

RATIONAL ASSET MANAGEMENT

Additional Information (unaudited)

as at 31st December 2016

1 - Risk management

As required by Circular CSSF 11/ 512, the Board of Directors needs to determine the global risk exposure of the Fund either by applying the commitment approach or the VaR approach. The Board of Directors of the SICAV decided to adopt the absolute VaR approach for the Sub-Fund Rational Asset Management - Equity Long/ Short.

SEB Fund Services S.A. has selected the parametric "Delta-Gamma" model (variance-covariance) as the model to be applied to the Sub-Fund calculating their global exposure using the VaR approach.

The calculation of the absolute VaR is carried out in accordance with the following parameters:

- Confidence level of 99%;
- VaR horizon of 20 business days;
- Effective observation period of risk factors of 250 business days;
- Daily data set updates; and
- Daily calculation and monitoring of VaR levels.

For the observation period from 1st January 2016 to 31st December 2016:

For the Sub-Fund Rational Asset Management - Equity Long/ Short, the utilisation of VaR is as follows:

- Lowest: 12.50% (as at 19th May 2016);
- Highest: 50.40% (as at 15th February 2016);
- Average: 22.83% and

Average level of leverage (based on the sum of notional methodology): 229.76%

2 - Remuneration disclosure

SEB Fund Services S.A. (SEB) has implemented a Remuneration policy that is designed to encourage good performance and behavior, and seeks to achieve a balanced risk-taking that goes in line with shareholders' expectations.

In SEB, there is clear distinction between the criteria for setting fixed remuneration (e.g. base pay, pension and other benefits) and variable remuneration (e.g. short- and long-term variable remuneration). The individual total remuneration corresponds to requirements on task complexity, management and functional accountability and also related to the individual's performance.

SEB provides a sound balance between fixed and variable remuneration and aligns the payout horizon of variable pay with the risk horizon. This implies that certain maximum levels and deferral arrangements apply for different categories of employees.

The amount below represents the proportion of the total remuneration on calendar year 2016 and adjusted according to the number of full time employees during the year 2016 and identified staff (i.e. the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM/ Management Company whose actions have a material impact on the risk profile of the funds). This amount is further proportioned to the total net asset value of each fund, taking into account UCITS and non-UCITS.

RATIONAL ASSET MANAGEMENT

Additional Information (unaudited - continued)

as at 31st December 2016

	TNA as of 31st December 2016*	% of total TNA managed by AIFM / Management Company	Fixed Remuneration *		Variable Remuneration *		Number of beneficiaries (Average Full Time Equivalent)
			All Employees	Identified Staff	All Employees	Identified Staff	All Employees
RATIONAL ASSET MANAGEMENT	160,735,288.10	2.21	29,633.77	11,198.09	1,097.13	516.76	14.18

* All amounts are in euro

Fixed Remuneration (incl. fixed salary, allowances, pension)

Variable Remuneration (incl. short term incentives and long term incentives)

3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (SFTR regulation EU 2015/2365, hereafter 'SFTR')

At the date of the financial statements the Fund is concerned by total return swaps contracts (TRS) for the following Sub-Fund in the context of the publication requirements of SFTR.

		RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT (in SEK)
Global data: assets used for TRS (sum of absolute unrealised results on TRS)		
	in absolute terms	4,602,458.89
	as a percentage of assets under management of the Sub-Fund	0.30%
Concentration data		
10 largest collateral issuers for collaterals received		
	first	-
	gross volumes for open trades	-
Top 10 counterparties of TRS separately		
	name of counterparty	Skandinaviska Enskilda Banken AB (publ) Stockholm
	gross volume of outstanding transactions	1,794,383.47
Aggregate transaction data for TRS		
Type and quality of the collaterals received		
	bonds collateral	-
	equities collateral	-
	cash collateral	-
Collateral classified according to their residual maturities (absolute amounts)		
	less than 1 day	-
	from 1 day to 1 week (= 7 days)	-
	from 1 week to 1 month (= 30 days)	-
	from 1 month to 3 months	-
	from 3 months to 1 year (= 365 days)	-
	above 1 year	-
	open maturity	-
Currency of the collaterals received		-

RATIONAL ASSET MANAGEMENT

Additional Information (unaudited - continued)

as at 31st December 2016

	RATIONAL ASSET MANAGEMENT - EQUITY LONG/SHORT (in SEK)
TRS classified according to their residual maturities (absolute amounts)	
less than 1 day	-
from 1 day to 1 week (= 7 days)	-
from 1 week to 1 month (= 30 days)	-
from 1 month to 3 months	37,533.25
from 3 months to 1 year (= 365 days)	4,564,925.64
above 1 year	-
open maturity	-
Country (countries) in which the counterparties are established	SE
Type of settlement and clearing	
tri-party	-
Central CounterParty	-
bilateral	1,794,383.47
Data on reuse of collateral received	
% foreseen in prospectus	Prospectus to be updated
collateral received that is reused	-
cash collateral reinvestment returns to the Sub-Fund	-
Safekeeping of collateral received	
number of depositaries	-
name of depositaries	-
amounts of assets received as collateral	-
Safekeeping of collateral granted	
segregated accounts	79,754,797.00
pooled accounts	-
other accounts	-
Return and cost components	100.00% of the return is received/paid by the Fund (as bilateral settlement), total return is recognised in the primary statements. Cost of TRS are part of the spread and recognised in the primary statements and are not separately identifiable.

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