

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

**SpotR™ 1**

Investment Company (SICAV), Luxembourg

R.C.S. Luxembourg B 158 826

#### Notice

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

**SpotR™ 1**

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Organisation

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**Registered Office**

4, rue Peternelchen  
L-2370 Howald

**Board of Directors**

**Chairman**

Ralf FERNER  
Managing Director  
SEB Fund Services S.A., Luxembourg  
(until 29th January 2016)

Jonas-Petter VON MARTENS  
Client Relations & Service Management  
SEB Fund Services S.A., Luxembourg  
(since 11th July 2016)

**Directors**

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

Jonas-Petter VON MARTENS  
Client Relations & Service Management  
SEB Fund Services S.A., Luxembourg  
(since 29th January 2016 and until 11th July 2016)

Jérôme WIGNY  
Partner  
Elvinger Hoss Prussen, société anonyme, Luxembourg

**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

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

Organisation (continued)

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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)

**Custodian**

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

**Central Administrative 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**

SEB Investment Management AB  
Sveavägen 8  
SE-106 40 Stockholm

**Auditor**

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

**Distribution Agent  
and Authorised Participant**

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

**Legal Adviser**

Elvinger Hoss Prussen, société anonyme, Luxembourg  
2, place Winston Churchill  
L-1340 Luxembourg

# SpotR™ 1

## General information

SpotR™ 1 (the "Company") is an investment company incorporated under the laws of the Grand Duchy of Luxembourg as a "*Société d'Investissement à Capital Variable*" ("SICAV") on 28th January 2011 for an unlimited period. The Company qualifies as an Undertaking for Collective Investment in Transferable Securities under the Council Directive 2009/ 65/ EC as amended and is governed by Part I of the amended Law of 17th December 2010 relating to Undertakings for Collective Investment. 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.

At the date of the present report, the following Sub-Funds are offered to investors:

- SpotR™ 1 – SpotR™ OMXS30 UCITS ETF in SEK
- SpotR™ 1 – SpotR™ Bull OMXS30 UCITS ETF in SEK
- SpotR™ 1 – SpotR™ Bear OMXS30 UCITS ETF in SEK

Each Sub-Fund is an Exchange Traded Fund (ETF). The Shares of each Sub-Fund are fully transferable to investors and are listed for trading on the NASDAQ OMX Stockholm Exchange.

The investment objective of the Sub-Funds is to provide the investors with a return linked to the performance of the Underlying Asset as described hereafter:

- for SpotR™ 1 – SpotR™ OMXS30 UCITS ETF: to replicate, as far as possible, the performance of the OMX Stockholm 30 Gross Index,
- for SpotR™ 1 – SpotR™ Bull OMXS30 UCITS ETF: to replicate, as far as possible, approximately two times the daily performance of the OMX Stockholm 30 Gross Index,
- for SpotR™ 1 – SpotR™ Bear OMXS30 UCITS ETF: to replicate, as far as possible, approximately two times the daily inverse performance of the OMX Stockholm 30 Gross Index.

The Sub-Funds may use various investment techniques to achieve this exposure to the NASDAQ OMX Stockholm 30 Gross Index:

- The exposure may be achieved by way of derivative transactions such as financial derivative instruments transactions, including but not limited to OTC swap transactions, negotiated at arm's length with a counterparty. Accordingly, the Sub-Fund may be at any time fully or partially exposed to one or more counterparty. The return that the investor will receive will be dependent on the performance of the Underlying Asset and the performance of the derivative instrument used to link the net proceeds from the issue of Shares to the Underlying Asset.
- The Sub-Funds may also invest in the Underlying Securities of the relevant Underlying Asset in proportion to their weighting in the Underlying Asset and will, subject to the concentration limits, normally aim to invest a substantial part of its total assets in the Underlying Securities of its Underlying Asset. Each Sub-Fund of this category may hold transferable securities tracking the Underlying Asset in accordance with the Investment Restrictions. Such transferable securities will allow a more practicable management of the Sub-Fund.

For the Sub-Funds, the following Share Classes may be issued:

- IC Shares Institutional Capitalisation Shares
- ID Shares Institutional Distribution Shares
- RC Shares Retail Capitalisation Shares
- RD Shares Retail Distribution Shares

Currently, only IC Shares are offered.

## SpotR™ 1

### General information (continued)

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The reference currency of the Company is expressed in EUR.

The Company's financial year starts on 1st January and ends on 31st December.

Financial reports of the Company are published annually and semi-annually. Copies of the annual financial statements and semi-annual reports, as well as the current prospectus, copies of the Articles of Incorporation of the Company may be obtained free of charge at the registered office of the Company.

The Board of Directors confirms its adherence with the principles contained in the ALFI (*Association Luxembourgeoise des Fonds d'Investissement*) Code of Conduct for Luxembourg Investment Funds.

**Report from the Management Company**

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**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.



**Report from the Management Company (continued)**

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**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.

**Outlook for financial markets & economic growth**

Although numerous recoveries faded faster than expected by the markets in the past eight years, we believe in stronger growth in 2017 than in 2016 as a whole. The US's strong labour market will support consumption and the recovery in global trade will be a boon for emerging markets and Europe.

Given our positive outlook on global growth, we expect equities to deliver a higher return than government bonds. We believe the return on equities will be slightly below the historical average, and that gains will be driven by rising earnings and sales - given that valuations are already above their historical averages. Given the reduced likelihood for a global recession, we stress that we also believe high yield bonds will deliver an attractive return in the coming 12 months. In conclusion, we recommend a slightly higher allocation to risk in general and equities in particular, as compared to strategic allocation.

## SpotR™ 1

### Report from the Management Company (continued)

#### Tracking Error

##### **SpotR™ 1 – SpotR™ OMXS30 UCITS ETF**

The objective of the Sub-Fund is to replicate, as far as possible, the performance of the OMX Stockholm 30 Gross Index prior to calculation of fees.

The tracking error was measured at the last available NAV for the period under review, it was equal to 0.03% as at 30th December 2016 compared to an anticipated tracking error of 0.1%, which means the effective tracking error has remained below the threshold. This indicator has been computed using daily observations.

##### **SpotR™ 1 – SpotR™ Bull OMXS30 UCITS ETF**

The objective of the Sub-Fund is to replicate, as far as possible, approximately two times the daily performance of the OMX Stockholm 30 Gross Index prior to calculation of fees.

The tracking error was measured at the last available NAV for the period under review, it was equal to 0.32% as at 30th December 2016 compared to an anticipated tracking error of 2%, which means the effective tracking error has remained below the threshold. This indicator has been computed using daily observations.

##### **SpotR™ 1 – SpotR™ Bear OMXS30 UCITS ETF**

The objective of the Sub-Fund is to replicate, as far as possible, approximately two times the daily inverse performance of the OMX Stockholm 30 Gross Index prior to calculation of fees.

The tracking error was measured at the last available NAV for the period under review, it was equal to 0.49% as at 30th December 2016 compared to an anticipated tracking error of 1.2%, which means the effective tracking error has remained below the threshold. This indicator has been computed using daily observations.

#### Tracking Difference

Sub-Fund	Return of the Sub-Fund	Return of the tracked index	Tracking Difference
SpotR™ 1 – SpotR™ OMXS30 UCITS ETF	9.08%	9.41%	-0.33%
SpotR™ 1 – SpotR™ Bull OMXS30 UCITS ETF	13.28%	14.28% *	-1.00%
SpotR™ 1 – SpotR™ Bear OMXS30 UCITS ETF	-27.51%	-26.98% *	-0.53%

\*the index return is leveraged

Tracking Difference is the difference between the Sub-Fund return and benchmark return during the period. Tracking Difference can be explained by fees and costs charged to the Sub-Fund and deviations due to replication technique.

Luxembourg, 10th 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  
**SpotR™ 1**

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We have audited the accompanying financial statements of SpotR™ 1 and of each of its Sub-Funds, which comprise the statement of 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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T: +352 494848 1, F: +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)*

*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 SpotR™ 1 and of each of its Sub-Funds as of 31st December 2016, and of the results of their operations and changes in their 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

A handwritten signature in blue ink, consisting of a large, stylized 'S' shape with a horizontal stroke across the middle, written over the text 'Represented by' and 'Philippe Sergiel'.

Philippe Sergiel

Luxembourg, 31st March 2017

## SpotR™ 1

### Combined statement of net assets (in EUR)

as at 31st December 2016

#### Assets

Cash receivable from swaps contracts' counterparty	46,121,623.56
Unrealised gain on funded swaps contracts	302,762.97
Unrealised gain on unfunded swaps contracts	1,657.52
Total assets	46,426,044.05

#### Liabilities

Unrealised loss on funded swaps contracts	7,011.32
Unrealised loss on unfunded swaps contracts	6,866.36
Expenses payable	10,937.18
Interest payable on funded swaps contracts	2,498.95
Interest payable on unfunded swaps contracts	261.20
Total liabilities	27,575.01
Net assets at the end of the year	46,398,469.04

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

## SpotR™ 1

### Combined statement of operations and other changes in net assets (in EUR) from 1st January 2016 to 31st December 2016

<b><u>Income</u></b>	
Total income	0.00
<b><u>Expenses</u></b>	
Management Company fees	117,996.30
Interest paid on funded swaps contracts	46,570.05
Interest paid on unfunded swaps contracts	31,441.15
Total expenses	196,007.50
Net investment loss	-196,007.50
<b><u>Net realised gain/(loss)</u></b>	
- on funded swaps contracts	3,004,053.08
- on unfunded swaps contracts	150,391.88
Realised result	2,958,437.46
<b><u>Net variation of the unrealised gain/(loss)</u></b>	
- on funded swaps contracts	132,288.85
- on unfunded swaps contracts	16,478.72
Result of operations	3,107,205.03
Subscriptions	-
Redemptions	-
Total changes in net assets	3,107,205.03
Total net assets at the beginning of the year	45,132,159.70
Revaluation difference	-1,840,895.69
Total net assets at the end of the year	46,398,469.04

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

## SpotR™ 1 – SpotR™ OMXS30 UCITS ETF

### Statement of net assets (in SEK)

as at 31st December 2016

#### Assets

Cash receivable from swaps contracts' counterparty	327,807,406.11
Unrealised gain on funded swaps contracts	2,886,604.93
Total assets	330,694,011.04

#### Liabilities

Expenses payable	56,213.77
Interest payable on funded swaps contracts	22,764.40
Total liabilities	78,978.17

Net assets at the end of the year	330,615,032.87
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Number of IC Shares outstanding	1,886,576
Net asset value per IC Share	175.25

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

## SpotR™ 1 – SpotR™ OMXS30 UCITS ETF

### Statement of operations and other changes in net assets (in SEK) from 1st January 2016 to 31st December 2016

<b><u>Income</u></b>	
Total income	0.00
<b><u>Expenses</u></b>	
Management Company fees	600,545.05
Interest paid on funded swaps contracts	300,714.41
Total expenses	901,259.46
Net investment loss	-901,259.46
<b><u>Net realised gain/(loss)</u></b>	
- on funded swaps contracts	27,318,369.24
Realised result	26,417,109.78
<b><u>Net variation of the unrealised gain/(loss)</u></b>	
- on funded swaps contracts	1,103,691.02
Result of operations	27,520,800.80
Subscriptions	-
Redemptions	-
Total changes in net assets	27,520,800.80
Total net assets at the beginning of the year	303,094,232.07
Total net assets at the end of the year	330,615,032.87

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



## SpotR™ 1 – SpotR™ OMXS30 UCITS ETF

### Statistical information (in SEK)

as at 31st December 2016

#### Total net assets

- as at 31.12.2016	330,615,032.87
- as at 31.12.2015	303,094,232.07
- as at 31.12.2014	518,049,652.66

#### Number of IC Shares outstanding

- outstanding at the beginning of the year	1,886,576
- issued	0
- redeemed	0
- outstanding at the end of the year	1,886,576

#### Net asset value per IC Share

- as at 31.12.2016	175.25
- as at 31.12.2015	160.66
- as at 31.12.2014	157.63

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

## SpotR™ 1 – SpotR™ Bull OMXS30 UCITS ETF

### Statement of net assets (in SEK)

as at 31st December 2016

#### Assets

Cash receivable from swaps contracts' counterparty	92,032,434.93
Total assets	92,032,434.93

#### Liabilities

Unrealised loss on funded swaps contracts	67,226.03
Unrealised loss on unfunded swaps contracts	65,836.10
Expenses payable	39,212.06
Interest payable on funded swaps contracts	766.94
Interest payable on unfunded swaps contracts	1,652.38
Total liabilities	174,693.51

Net assets at the end of the year	91,857,741.42
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Number of IC Shares outstanding	400,000
Net asset value per IC Share	229.64

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

## SpotR™ 1 – SpotR™ Bull OMXS30 UCITS ETF

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

from 1st January 2016 to 31st December 2016

<b><u>Income</u></b>	
Total income	0.00
<b><u>Expenses</u></b>	
Management Company fees	386,331.78
Interest paid on funded swaps contracts	78,590.48
Interest paid on unfunded swaps contracts	167,939.34
Total expenses	632,861.60
Net investment loss	-632,861.60
<b><u>Net realised gain/(loss)</u></b>	
- on funded swaps contracts	5,485,161.34
- on unfunded swaps contracts	5,370,666.08
Realised result	10,222,965.82
<b><u>Net variation of the unrealised gain/(loss)</u></b>	
- on funded swaps contracts	277,727.86
- on unfunded swaps contracts	270,099.71
Result of operations	10,770,793.39
Subscriptions	-
Redemptions	-
Total changes in net assets	10,770,793.39
Total net assets at the beginning of the year	81,086,948.03
Total net assets at the end of the year	91,857,741.42

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

## SpotR™ 1 – SpotR™ Bull OMXS30 UCITS ETF

### Statistical information (in SEK)

as at 31st December 2016

#### Total net assets

- as at 31.12.2016	91,857,741.42
- as at 31.12.2015	81,086,948.03
- as at 31.12.2014	172,788,226.37

#### Number of IC Shares outstanding

- outstanding at the beginning of the year	400,000
- issued	0
- redeemed	0
- outstanding at the end of the year	400,000

#### Net asset value per IC Share

- as at 31.12.2016	229.64
- as at 31.12.2015	202.72
- as at 31.12.2014	203.28

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

## SpotR™ 1 – SpotR™ Bear OMXS30 UCITS ETF

### Statement of net assets (in SEK)

as at 31st December 2016

#### Assets

Cash receivable from swaps contracts' counterparty	22,384,077.19
Unrealised gain on funded swaps contracts	16,350.68
Unrealised gain on unfunded swaps contracts	15,892.66
Total assets	22,416,320.53

#### Liabilities

Expenses payable	9,442.19
Interest payable on funded swaps contracts	429.03
Interest payable on unfunded swaps contracts	852.15
Total liabilities	10,723.37

Net assets at the end of the year	22,405,597.16
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Number of IC Shares outstanding	1,280,000
Net asset value per IC Share	17.50

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

## SpotR™ 1 – SpotR™ Bear OMXS30 UCITS ETF

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

from 1st January 2016 to 31st December 2016

<b><u>Income</u></b>	
Total income	0.00
<b><u>Expenses</u></b>	
Management Company fees	144,496.79
Interest paid on funded swaps contracts	67,218.66
Interest paid on unfunded swaps contracts	133,525.03
Total expenses	345,240.48
Net investment loss	-345,240.48
<b><u>Net realised gain/(loss)</u></b>	
- on funded swaps contracts	-4,000,031.87
- on unfunded swaps contracts	-3,928,676.75
Realised result	-8,273,949.10
<b><u>Net variation of the unrealised gain/(loss)</u></b>	
- on funded swaps contracts	-113,005.34
- on unfunded swaps contracts	-112,098.28
Result of operations	-8,499,052.72
Subscriptions	-
Redemptions	-
Total changes in net assets	-8,499,052.72
Total net assets at the beginning of the year	30,904,649.88
Total net assets at the end of the year	22,405,597.16

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

## SpotR™ 1 – SpotR™ Bear OMXS30 UCITS ETF

### Statistical information (in SEK)

as at 31st December 2016

#### Total net assets

- as at 31.12.2016	22,405,597.16
- as at 31.12.2015	30,904,649.88
- as at 31.12.2014	86,659,365.08

#### Number of IC Shares outstanding

- outstanding at the beginning of the year	1,280,000
- issued	0
- redeemed	0
- outstanding at the end of the year	1,280,000

#### Net asset value per IC Share

- as at 31.12.2016	17.50
- as at 31.12.2015	24.14
- as at 31.12.2014	28.60

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

**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 Company are established in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment.

The financial statements are disclosed on the basis of the Net Asset Value of the Sub-Funds calculated on 31st December 2016. In accordance with the prospectus, as the Underlying Asset is not calculated by the relevant Index Provider on 30th December 2016, the last official trading NAV of the corresponding Sub-Fund has been calculated on 30th December 2016. Nevertheless, an additional NAV has been calculated on 31st December 2016 for reporting purposes and is disclosed in these financial statements.

b) Valuation

1. 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 is 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 determined after making such discount as may be considered appropriate in such case to reflect the true value thereof;
2. the value of all securities which are listed or traded on an official stock exchange or traded on any other Regulated Market is valued on the basis of the last available prices on the Business Day immediately preceding the Valuation Day or on the basis of the last available prices on the main market on which the investments of the Sub-Funds are principally traded. The Board of Directors will approve a pricing service which will supply the above prices. If, in the opinion of the Board of Directors, such prices do not truly reflect the fair market value of the relevant securities, the value of such securities will be determined in good faith by the Board of Directors either by reference to any other publicly available source or by reference to such other sources as it deems in its discretion appropriate;
3. securities not listed or traded on a stock exchange or a Regulated Market are valued on the basis of the probable sales price determined prudently and in good faith by the Board of Directors;
4. securities issued by open-ended investment funds are valued at their last available net asset value or in accordance with item 2. above where such securities are listed;
5. the liquidating value of futures, forward or options contracts that are not traded on exchange or on other organised markets are determined pursuant to the policies established by the Board of Directors, on a basis consistently applied. The liquidating value of futures, forward or options contracts traded on exchanges or on other organised markets are based upon the last available settlement prices of these contracts on exchanges and organised markets on which the particular futures, forward or options contracts are traded; provided that if a future, forward or option contract could not be liquidated on such Business Day with respect to which a Net Asset Value is being determined, then the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable;
6. liquid assets and money market instruments are valued at nominal value plus any accrued interest or using an amortised cost method; this amortised cost method may result in periods during which the value deviates from the price the relevant Sub-Fund would receive if it sold the investment. The Management Company may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the Board of Directors. If the Board of Directors believes that a deviation from the amortised cost



**Notes to the financial statements (continued)**

as at 31st December 2016

per Share may result in material dilution or other unfair results to Shareholders, the Board of Directors shall take such corrective action, if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results;

7. the swap transactions are consistently valued based on a calculation of the net present value of their expected cash flows; and
8. all other securities and other permissible assets as well as any of the above mentioned assets for which the valuation in accordance with the above sub-paragraphs would not be possible or practicable, or would not be representative of their fair value, are valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors.

**c) 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.

**d) Combined financial statements**

The combined financial statements of the Company are expressed in EUR and are equal to the converted sum of the corresponding captions in the financial statements of each Sub-Fund.

At the date of the report, the exchange rate used for the combined statement is the following:

1 EUR = 9.5882123 SEK Swedish Krona

**e) 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 Company and of fees relating to liquidation of transactions paid to the custodian bank.

For the period in reference to the report, no transaction costs are recorded as the Company has not held any transferable securities.

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

The Authorised Participant is entitled to receive the following fees:

- a subscription fee equals to the higher of (i) SEK 30,000 per subscription request; and (ii) 0.03% of the Net Asset Value per Share on which the subscription is based, multiplied by the number of Shares subscribed,
- a redemption fee equals to the higher of (i) SEK 30,000 per redemption request; and (ii) 0.03% of the Net Asset Value per Share on which the redemption is based, multiplied by the number of Shares redeemed,
- a conversion fee of an amount equal to the higher of (i) SEK 30,000 per conversion request; and (ii) 0.03% of the Net Asset Value per Share on which the conversion is based, multiplied by the number of Shares converted.

## SpotR™ 1

### Notes to the financial statements (continued)

as at 31st December 2016

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

For its services, the Management Company, SEB Fund Services S.A., is entitled to receive a Management Company fee calculated on the average net assets of each Sub-Fund and payable monthly in arrears to the following rates:

<b>Sub-Funds</b>	<b>Effective annual rate</b>
- SpotR™ 1 – SpotR™ OMXS30 UCITS ETF	0.20% p.a.
- SpotR™ 1 – SpotR™ Bull OMXS30 UCITS ETF	0.50% p.a.
- SpotR™ 1 – SpotR™ Bear OMXS30 UCITS ETF	0.50% p.a.

The Management Company remunerates the Investment Manager out of the Management Company fees.

#### **Note 4 - Fees**

The Central Administrative Agent fees, the Custodian and the Professional fees are borne by the Management Company.

#### **Note 5 - Subscription duty ("Taxe d'abonnement")**

The Company is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the Company 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, except for Institutional Shares reserved for Institutional Investors who may benefit from the reduced rate of 0.01%.

All Sub-Funds (i) whose Shares are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public; and (ii) whose exclusive objective is to replicate the performance of one or more indices are exempt from the "*taxe d'abonnement*".

#### **Note 6 - Shares dealing**

Shares of SpotR™ 1 can be dealt in on either the primary market or secondary market.

The primary market is the market on which Shares are issued by SpotR™ 1. Shares can be subscribed and redeemed for cash or in kind by notifying the Authorised Participant, Skandinaviska Enskilda Banken AB (publ), Stockholm.

The Shares may also be purchased or sold on the secondary market through a stock exchange or over the counter. It is expected that the Shares will be listed on one or more Relevant Stock Exchanges to facilitate the secondary market trading in the Shares. The purpose of the listing of the Shares on one or more Relevant Stock Exchanges is to enable investors to buy shares in smaller quantities than would be possible through the primary market or over the counter. Such orders to buy or sell Shares in the secondary market through the Relevant Stock Exchange or over the counter may incur costs over which the Company has no control. The Company does not charge any subscription or redemption fee for purchases and sales on the secondary market. The price of any Shares traded on the secondary market will depend, inter alia, on market supply and demand, movements in the value of the Underlying Asset as well as other factors such as prevailing financial market, corporate, economic and

## SpotR™ 1

### Notes to the financial statements (continued)

as at 31st December 2016

political conditions. In accordance with the requirements of the Relevant Stock Exchanges, Market Makers are expected to provide liquidity and two way prices to facilitate the secondary market trading of the Shares.

#### Note 7 - Swaps contracts

The Fund intends to use swaps contracts as the preferred means of achieving its investment objective. A swaps contract is an agreement between two parties to exchange certain benefits of one party's financial instrument for those of the other party's financial instrument.

The swaps are bilaterally settled/ cleared. All returns of the swaps go to the Fund.

As at 31st December 2016, the Sub-Funds are committed in the following index swaps contracts with Skandinaviska Enskilda Banken AB (publ), Stockholm as counterparty:

- **For the Sub-Fund SpotR™ 1 – SpotR™ OMXS30 UCITS ETF**

Swap type	Equity Notional Amount	Currency	Underlying	Maturity	Underlying exposure (in SEK)	Unrealised result (in SEK)
Funded	327,807,406.11	SEK	OMX Stockholm 30 Gross Index	09.01.2017	330,672,157.21	2,886,604.93
					<u>330,672,157.21</u>	<u>2,886,604.93</u>

- Funded swaps contract

The Sub-Fund transfers the equity notional amount to Skandinaviska Enskilda Banken AB (publ) and pays an interest amount which is the product of the Equity Notional Amount and a fixed interest rate of 0.10% calculated on the Equity Notional Amount. Skandinaviska Enskilda Banken AB (publ) posts collateral in favour of the Sub-Fund (see note 8).

The Sub-Fund receives the index total return from Skandinaviska Enskilda Banken AB (publ).

- **For the Sub-Fund SpotR™ 1 – SpotR™ Bull OMXS30 UCITS ETF**

Swap type	Equity Notional Amount	Currency	Underlying	Maturity	Underlying exposure (in SEK)	Unrealised result (in SEK)
Funded	92,032,434.93	SEK	OMX Stockholm 30 Gross Index	09.01.2017	91,964,697.61	-67,226.03
Unfunded	90,129,610.13	SEK	OMX Stockholm 30 Gross Index	09.01.2017	90,062,672.45	-65,836.10
					<u>182,027,370.06</u>	<u>-133,062.13</u>

- Funded swaps contract

The Sub-Fund transfers the equity notional amount to Skandinaviska Enskilda Banken AB (publ) and pays an interest amount which is the product of the Equity Notional Amount and a fixed interest rate of 0.10% calculated on the Equity Notional Amount. Skandinaviska Enskilda Banken AB (publ) posts collateral in favour of the Sub-Fund (see note 8).

The Sub-Fund receives the index total return from Skandinaviska Enskilda Banken AB (publ).

## SpotR™ 1

### Notes to the financial statements (continued)

as at 31st December 2016

#### - Unfunded swaps contract

The Sub-Fund pays to Skandinaviska Enskilda Banken AB (publ) an interest amount which is the product of the Equity Notional Amount and the SEB Base Rate in SEK (the overnight rate for the relevant currency) plus a spread of 0.22% p.a..

The Sub-Fund receives the index total return from Skandinaviska Enskilda Banken AB (publ).

#### • For the Sub-Fund SpotR™ 1 – SpotR™ Bear OMXS30 UCITS ETF

Swap type	Equity Notional Amount	Currency	Underlying	Maturity	Underlying exposure (in SEK)	Unrealised result (in SEK)
Funded	-22,384,077.19	SEK	OMX Stockholm 30 Gross Index	09.01.2017	22,368,012.53	16,350.68
Unfunded	-21,757,044.14	SEK	OMX Stockholm 30 Gross Index	09.01.2017	21,741,719.58	15,892.66
					<u>44,109,732.11</u>	<u>32,243.34</u>

#### - Funded swaps contract

The Sub-Fund transfers the equity notional amount to Skandinaviska Enskilda Banken AB (publ) and receives an interest amount which is the product of the Equity Notional Amount and the SEB Base Rate in SEK (the overnight rate for the relevant currency) minus a spread of 0.23% p.a.. Skandinaviska Enskilda Banken AB (publ) posts collateral in favour of the Sub-Fund (see note 8).

The Sub-Fund pays the index total return to Skandinaviska Enskilda Banken AB (publ).

#### - Unfunded swaps contract

The Sub-Fund pays the index total return to Skandinaviska Enskilda Banken AB (publ).

The Sub-Fund receives from Skandinaviska Enskilda Banken AB (publ) an interest amount which is the product of the Equity Notional Amount and the SEB Base Rate in SEK (the overnight rate for the relevant currency) minus a spread of 0.47% p.a..

As at 31st December 2016, the underlying of these swaps contracts, the OMX Stockholm 30 Gross Index, is composed as follows:

Companies	ISIN	Sector	Weight in the index (in %)
ABB Ltd	CH0012221716	Heavy Electrical Equipment	2.40
Alfa Laval AB	SE0000695876	Construction & Farm Machinery & Heavy Trucks	1.68
Assa Abloy AB ser. B	SE0007100581	Building Products	4.73
AstraZeneca PLC	GB0009895292	Pharmaceuticals	1.74
Atlas Copco AB ser. A	SE0006886750	Industrial Machinery	6.18
Atlas Copco AB ser. B	SE0006886768	Industrial Machinery	2.57
Boliden AB	SE0000869646	Diversified Metals & Mining	1.73
Electrolux, AB ser. B	SE0000103814	Household Appliances	1.81

## SpotR™ 1

### Notes to the financial statements (continued)

as at 31st December 2016

Companies	ISIN	Sector	Weight in the index (in %)
Ericsson, Telefonab. L M ser.	SE0000108656	Communications Equipment	4.36
Fingerprint Cards AB ser. B	SE0008374250	Electronic Equipment	0.53
Getinge AB ser. B	SE0000202624	Health Care Equipment	0.86
Hennes & Mauritz AB, H & M ser	SE0000106270	Apparel Retail	9.82
Investor AB ser. B	SE0000107419	Multi-Sector Holdings	4.11
Kinnevik AB ser. B	SE0008373906	Investment companies	1.36
Lundin Petroleum AB	SE0000825820	Oil & Gas Exploration & Production	1.63
Nokia Corporation	FI0009000681	Communications Equipment	0.10
Nordea Bank AB	SE0000427361	Diversified Banks	10.88
Sandvik AB	SE0000667891	Industrial Machinery	3.75
Securitas AB ser. B	SE0000163594	Security & Alarm Services	1.32
Skand. Enskilda Banken ser. A	SE0000148884	Diversified Banks	5.50
Skanska AB ser. B	SE0000113250	Construction & Engineering	2.28
SKF, AB ser. B	SE0000108227	Industrial Machinery	1.86
SSAB AB ser. A	SE0000171100	Steel	0.28
Svenska Cellulosa AB SCA ser.	SE0000112724	Paper Products	4.36
Svenska Handelsbanken ser. A	SE0007100599	Diversified Banks	6.36
Swedbank AB ser A	SE0000242455	Diversified Banks	6.61
Swedish Match AB	SE0000310336	Tobacco	1.45
Tele2 AB ser. B	SE0005190238	Integrated Telecommunication Services	0.94
Telia Company AB (publ)	SE0000667925	Integrated Telecommunication Services	4.22
Volvo, AB ser. B	SE0000115446	Construction & Farm Machinery & Heavy Trucks	4.58
			100.00

#### Note 8 - Collateral

The Management Company on behalf of the Sub-Funds enters into collateral arrangements with Skandinaviska Enskilda Banken AB (publ) in Stockholm, its swap counterparty, to mitigate potential counterparty risks.

The safekeeping of the collateral is done by Skandinaviska Enskilda Banken S.A. The collateral has an open maturity.

In connection with the valuation of their swaps contracts as at 31st December 2016, the Sub-Funds received the following collateral in shares admitted to an official stock exchange listing from Skandinaviska Enskilda Banken AB Prime Collateral Services in Stockholm on 31st December 2016:

#### **SpotR™ 1 – SpotR™ OMXS30 UCITS ETF**

Currency	Number	Description	Market place	Collateral Value (in SEK)
CHF	10,125.00	Adecco Group SA Reg	SWX Europe Ltd.	6,037,621.29
EUR	1,049.00	Adidas AG Reg	Frankfurter Börse - XETRA	1,510,213.91

## SpotR™ 1

### Notes to the financial statements (continued)

as at 31st December 2016

Currency	Number	Description	Market place	Collateral Value (in SEK)
USD	16,835.00	Adobe Systems Inc	NASDAQ NMS	15,757,573.64
USD	7,899.00	Allergan Plc	NYSE (New York Stock Exchange, Inc.)	15,082,105.08
USD	2,705.00	Alphabet Inc A	NASDAQ NMS	19,488,975.64
USD	701.00	Alphabet Inc C	NASDAQ NMS	4,919,080.39
SEK	13,172.00	Atlas Copco AB B	OMX-Nordic Ex., Stockholm Equities	3,274,559.20
EUR	17,987.00	Cap Gemini SA	Euronext Cash Market and Indices (Euronext Paris, Bxl,Amsterdam, Lisbonne)	13,822,923.42
USD	12,879.00	Citrix Systems Inc	NASDAQ NMS	10,457,601.93
USD	6,000.00	Costco Wholesale Corp	NASDAQ NMS	8,734,128.59
EUR	53,205.00	E.ON SE	Frankfurter Börse - XETRA	3,417,943.59
SEK	4,444.00	Electrolux AB B	OMX-Nordic Ex., Stockholm Equities	1,005,677.20
CHF	877.00	Givaudan SA Reg	SWX Europe Ltd.	14,641,376.74
USD	13,755.00	Monsanto Co	NYSE (New York Stock Exchange, Inc.)	13,157,321.56
CHF	7,265.00	Nestlé SA Reg	SWX Europe Ltd.	4,748,172.87
SEK	123,906.00	Nordea Bank AB	OMX-Nordic Ex., Stockholm Equities	12,551,677.80
CHF	30,867.00	Novartis AG Reg	SWX Europe Ltd.	20,463,660.07
USD	23,414.00	PPG Industries Inc	NYSE (New York Stock Exchange, Inc.)	20,172,073.40
CHF	26,419.00	Roche Holding Ltd Pref	SWX Europe Ltd.	54,978,991.39
EUR	7,425.00	SAP SE	Frankfurter Börse - XETRA	5,895,448.95
SEK	36,226.00	Saab AB B	OMX-Nordic Ex., Stockholm Equities	12,334,953.00
SEK	142,753.00	Sandvik AB	OMX-Nordic Ex., Stockholm Equities	16,088,263.10
EUR	8,701.00	Schneider Electric SE	Euronext Cash Market and Indices (Euronext Paris, Bxl,Amsterdam, Lisbonne)	5,515,361.29
SEK	45,677.00	Swedbank AB A	OMX-Nordic Ex., Stockholm Equities	10,062,643.10
CHF	4,419.00	Swisscom SA Reg	SWX Europe Ltd.	18,032,450.84
CHF	79,334.00	UBS Group Inc	SWX Europe Ltd.	11,321,154.63
USD	1,131.00	Ulta Salon Cosmetics & Fra Inc	NASDAQ NMS	2,621,503.61
GBP	1,132,126.00	Vodafone Group Plc	London Stock Exchange SETS	25,416,112.00
USD	34,063.00	Welltower REIT Inc	NYSE (New York Stock Exchange, Inc.)	20,727,818.31
				<u>372,237,386.54</u>

### SpotR™ 1 – SpotR™ Bull OMXS30 UCITS ETF

Currency	Number	Description	Market place	Collateral Value (in SEK)
USD	1,835.00	Amazon.com Inc	NASDAQ NMS	12,510,420.90
SEK	4,606.00	Autoliv Inc SDR	OMX-Nordic Ex., Stockholm Equities	4,734,968.00
USD	46,753.00	CB Richard Ellis Gr Inc A	NYSE (New York Stock Exchange, Inc.)	13,385,420.46
SEK	53,589.00	Electrolux AB B	OMX-Nordic Ex., Stockholm Equities	12,127,190.70
EUR	3,425.00	Kering	Euronext Cash Market and Indices (Euronext Paris, Bxl,Amsterdam, Lisbonne)	7,004,692.45
EUR	3,336.00	MTU Aero Engines AG	Frankfurter Börse - XETRA	3,512,093.12
USD	11,989.00	Monsanto Co	NYSE (New York Stock Exchange, Inc.)	11,468,057.30
CHF	20,412.00	Novartis AG Reg	SWX Europe Ltd.	13,532,388.29
EUR	14,758.00	RWE AG A	Frankfurter Börse - XETRA	1,671,856.02
CHF	459.00	SGS SA Reg	SWX Europe Ltd.	8,508,894.12
EUR	2,628.00	Software AG	Frankfurter Börse - XETRA	868,946.89

## SpotR™ 1

### Notes to the financial statements (continued)

as at 31st December 2016

Currency	Number	Description	Market place	Collateral Value (in SEK)
SEK	16,888.00	Svenska Cellulosa SCA AB B	OMX-Nordic Ex., Stockholm Equities	4,345,282.40
CHF	1,011.00	Swisscom SA Reg	SWX Europe Ltd.	4,125,550.53
SEK	114,535.00	Telefon AB LM Ericsson B	OMX-Nordic Ex., Stockholm Equities	6,127,622.50
				<u>103,923,383.68</u>

### SpotR™ 1 – SpotR™ Bear OMXS30 UCITS ETF

Currency	Number	Description	Market place	Collateral Value (in SEK)
SEK	12,580.00	B&B TOOLS AB B	OMX-Nordic Ex., Stockholm Equities	2,402,780.00
SEK	7,747.00	Investor AB B	OMX-Nordic Ex., Stockholm Equities	2,637,853.50
EUR	2,028.00	Lanxess AG	Frankfurter Börse - XETRA	1,212,389.17
EUR	2,211.00	Linde AG	Frankfurter Börse - XETRA	3,309,247.78
EUR	2,334.00	Merck KGaA	Frankfurter Börse - XETRA	2,218,866.69
SEK	5,652.00	Modern Times Group AB B	OMX-Nordic Ex., Stockholm Equities	1,526,040.00
CHF	1,338.00	Roche Holding Ltd Pref	SWX Europe Ltd.	2,784,431.30
EUR	2,680.00	Sampo Plc A	OMX-Nordic Ex., Helsinki Equities	1,094,410.06
EUR	6,138.00	Suedzucker AG	Frankfurter Börse - XETRA	1,335,362.02
CHF	1,137.00	Swiss Life Holding Reg	SWX Europe Ltd.	2,931,737.78
CHF	6,101.00	UBS Group Inc	SWX Europe Ltd.	870,627.53
USD	1,244.00	Ulta Salon Cosmetics & Fra Inc	NASDAQ NMS	2,883,422.18
				<u>25,207,168.01</u>

### Note 9 - Changes in investments

The statement of changes in investments for the reporting period is available free of charge at the registered office of the Company.

**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 Company either by applying the commitment approach or the VaR approach. The Board of Directors of the Company decided to adopt the commitment approach as a method of determining the global exposure.

**2 - Remuneration disclosure**

SEB Fund Services S.A. (SEB) has implemented a Remuneration policy that is designed to encourage good performance and behaviour, 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 Management Company/ AIFM 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.

	TNA as of 31st December 2016*	% of total TNA managed by Management Company/ AIFM	Fixed Remuneration *		Variable Remuneration *		Number of beneficiaries (Average Full Time Equivalent)
			All Employees	Identified Staff	All Employees	Identified Staff	All Employees
SpotR™ 1	46,398,469.04	0.64	8,554.20	3,232.49	316.70	149.17	14.18

\* All amounts are in euro

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

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



## Additional Information (unaudited) (continued)

as at 31st December 2016

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

At the date of the financial statements all Sub-Funds of the Company are concerned by the publications requirements of SFTR, as all Sub-Funds are invested in total return swaps in the sense of this regulation.

	SpotR™ 1 - SpotR™ OMXS30 UCITS ETF (in SEK)	SpotR™ 1 - SpotR™ Bull OMXS30 UCITS ETF (in SEK)	SpotR™ 1 - SpotR™ Bear OMXS30 UCITS ETF (in SEK)
<b>Global data: assets used for TRS</b> (sum of absolute unrealised results on TRS)			
in absolute terms	2,886,604.93	133,062.13	32,243.34
as a percentage of assets under management of the Sub-Funds	0.87%	0.14%	0.14%
<b>Concentration data</b>			
<b>10 largest collateral issuers for collateral received</b>			
first	Roche Holding Ltd	Novartis AG	Linde AG
gross volumes for open trades	54,978,991.39	13,532,388.29	3,309,247.78
second	Vodafone Group Plc	CB Richard Ellis Gr Inc	Swiss Life Holding AG
gross volumes for open trades	25,416,112.00	13,385,420.46	2,931,737.78
third	Welltower REIT Inc	Amazon.com Inc	Ulta Salon Cosmetics & Fra Inc
gross volumes for open trades	20,727,818.31	12,510,420.90	2,883,422.18
fourth	Novartis AG	Electrolux AB	Roche Holding Ltd
gross volumes for open trades	20,463,660.07	12,127,190.70	2,784,431.30
fifth	PPG Industries Inc	Monsanto Co	Investor AB
gross volumes for open trades	20,172,073.40	11,468,057.30	2,637,853.50
sixth	Alphabet Inc	SCS SA	B&B TOOLS AB
gross volumes for open trades	19,488,975.64	8,508,894.12	2,402,780.00
seventh	Swisscom SA	Kering	Merck KGaA
gross volumes for open trades	18,032,450.84	7,004,692.45	2,218,866.69
eighth	Sandvik AB	Telefon AB LM Ericsson	Modern Times Group AB
gross volumes for open trades	16,088,263.10	6,127,622.50	1,526,040.00
ninth	Adobe Systems Inc	Autoliv Inc	Suedzucker AG
gross volumes for open trades	15,757,573.64	4,734,968.00	1,335,362.02
tenth	Allergan Plc	Svenska Cellulosa SCA AB	Lanxess AG
gross volumes for open trades	15,082,105.08	4,345,282.40	1,212,389.17
<b>Top 10 counterparties of total return swaps separately</b>			
name of counterparty	Skandinaviska Enskilda Bk AB	Skandinaviska Enskilda Bk AB	Skandinaviska Enskilda Bk AB
gross volume of outstanding transactions	2,886,604.93	-133,062.13	32,243.34
<b>Aggregate transaction data for TRS</b>			
<b>Type and quality of the collateral received</b>			
bonds collateral	-	-	-
listed equities collateral	372,237,386.54	103,923,383.68	25,207,168.01
cash collateral	-	-	-
<b>Collateral classified according to their residual maturities</b>			
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	372,237,386.54	103,923,383.68	25,207,168.01
<b>Currency of the cash collateral received</b>	-	-	-
<b>TRS classified according to their residual maturities</b> (absolute amounts)			
less than 1 day	-	-	-
from 1 day to 1 week (= 7 days)	-	-	-
from 1 week to 1 month (= 30 days)	2,886,604.93	133,062.13	32,243.34
from 1 month to 3 months	-	-	-
from 3 months to 1 year (= 365 days)	-	-	-
above 1 year	-	-	-
open maturity	-	-	-
<b>Country (countries) in which the counterparties are established</b>	SE	SE	SE
<b>Type of settlement and clearing</b>			
tri-party	-	-	-
Central CounterParty	-	-	-
bilateral	2,886,604.93	-133,062.13	32,243.34

# SpotR™ 1

## Additional Information (unaudited) (continued) as at 31st December 2016

	SpotR™ 1 - SpotR™ OMXS30 UCITS ETF (in SEK)	SpotR™ 1 - SpotR™ Bull OMXS30 UCITS ETF (in SEK)	SpotR™ 1 - SpotR™ Bear OMXS30 UCITS ETF (in SEK)
<b>Data on reuse of collateral received</b>			
% foreseen in prospectus	Prospectus to be updated	Prospectus to be updated	Prospectus to be updated
collateral received that is reused	-	-	-
cash collateral reinvestment returns to the Sub-Fund	-	-	-
<b>Safekeeping of collateral received</b>			
number of depositaries	1	1	1
name of depositaries	Skandinaviska Enskil Banken SA Luxembourg	Skandinaviska Enskil Banken SA Luxembourg	Skandinaviska Enskil Banken SA Luxembourg
amounts of assets received as collateral	372,237,386.54	103,923,383.68	25,207,168.01
<b>Return and cost components for TRS</b>	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.	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.	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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