

# SEB European Equity Small Caps

Monthly report as of August 31, 2023



Past performance is not indicative of future results. The value of investments and income derived from investments may rise as well as fall. Future returns are not guaranteed, and a loss of principal may occur. Key Information Documents and prospectuses are available at [www.sebgroup.lu](http://www.sebgroup.lu)

In August, the stock market once again encountered challenges stemming from sticky inflation concerns and developments in monetary policy. Spokesman of the U.S. Federal Reserve, Jerome Powell, spoke at the annual Jackson Hole event and highlighted that the sustained strength of the U.S. economy could necessitate further hikes in interest rates. Furthermore, the real estate market in China has been tumultuously affected by concerns of defaults, a situation highlighted by Evergrande's initiation of bankruptcy protection procedures in the U.S., along with Country Garden's failure to fulfil coupon obligations. European small caps underperformed large caps by 0.47%.

European small caps underperformed large caps by 0.47%-point.

The fund underperformed the benchmark in August. Of noteworthy company-specific developments during the month are Hemnet (positive contributor), Medistim (negative contributor), and Netcompany (negative contributor). Hemnet is Sweden's largest online property platform, with more than 90% of all properties sold in Sweden listed on its site. The month witnessed improving listing trends in Sweden. Medistim is a company dedicated to developing, manufacturing, and distributing medical devices. In its recent Q2 report, the company revealed a revenue of NOK 137 million (NOK 118m), showcasing a 17% increase but a currency-neutral total growth of 4.7%. They are currently navigating challenges such as prolonged sales cycles and postponed purchasing decisions. Netcompany is a pure-play IT services company delivering business-critical strategic IT projects. During August, the Q2 numbers were announced, and the revenue grew by 15.7%, primarily due to strong international performance. The company expects that the macro environment will stabilise in the second half of 2023.

Our investment approach is balanced between companies with an attractive normalised valuation and high quality. We continue to look for high-quality companies at a reasonable valuation.

## Key facts

Fund Manager	Anders Knudsen, Lars Knudsen
Year of launch	2019
NAV at launch (EUR)	100.0
Fund Management Company	SEB Investment Management AB
Risk Level (SRI-scale 1-7)	5
ISIN-code	LU2030514256
Base Currency	EUR
Share Class	IC (EUR) <sup>1</sup>
NAV	141.12
AuM (MEUR)	222
Number of Holdings	48
Legal Structure	UCITS
Morningstar rating, (2023-08-31)	**
Turnover Ratio	0.14 <sup>2</sup>
Use of derivatives	YES <sup>3</sup>
Management Fee (%)	0.90
Ongoing Charges	0.92 <sup>4</sup>

<sup>1</sup> When applicable, dividends are paid in cash the subsequent fiscal year.

<sup>2</sup> 12 months rolling, last updated 2023-08-31.

<sup>3</sup> Derivatives may be used to achieve investment objectives or for hedging.

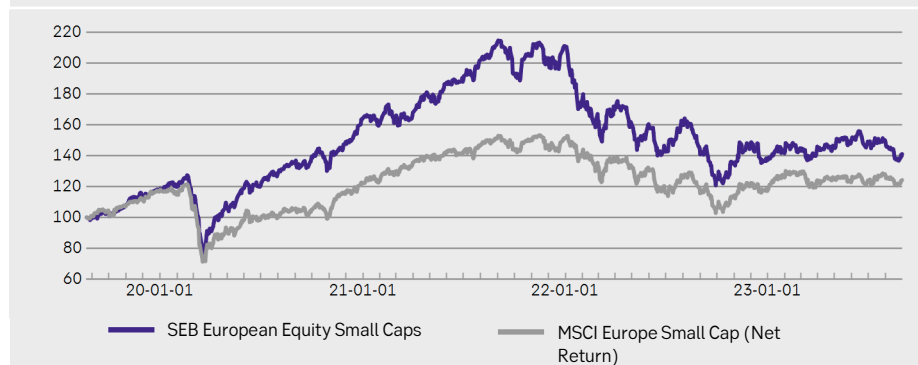
<sup>4</sup> The ongoing charges includes the management fee and constitutes payment for fund management, including marketing and distribution. The ongoing charges does not include transaction costs such as brokerage commissions on securities transactions. Last updated 2023-08-31

## Return % EUR

Accumulated since	Fund	Benchmark*
1 month	-6.0	-2.9
3 months	-5.2	1.2
Year to date	2.9	6.0
1 year	-2.5	4.8
3 years	3.8	18.0
5 years	-	-
Average annual growth		
3 years	1.3	5.7
5 years	-	-

\* Benchmark including dividend

## Performance % (net of fee)



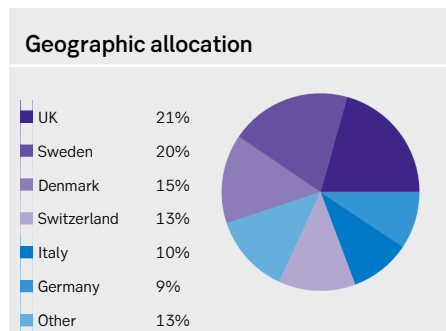
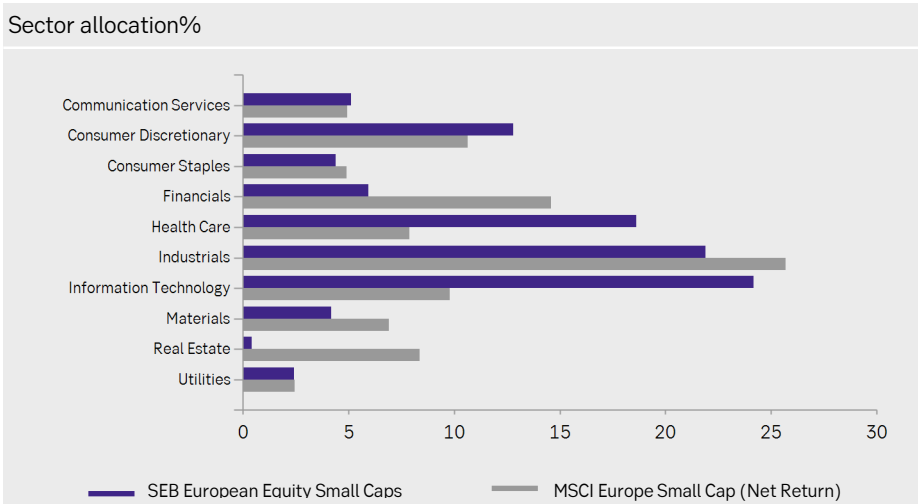
Source: SEB and Rimes. Inflation is not taken into account when calculating the fund's return.

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	YTD Index
2023	3.31	2.27	0.71	0.40	1.63	0.18	0.64	-5.99	-	-	-	-	2.91	6.04
2022	-16.89	-4.76	1.60	-4.69	-0.83	-11.12	14.07	-11.02	-14.13	8.37	7.69	-5.49	-35.04	-22.50
2021	-2.78	1.17	2.68	7.42	4.97	0.66	7.17	5.87	-9.36	5.93	-1.59	4.70	28.67	23.82
2020	2.02	-7.92	-15.86	16.00	9.80	1.78	6.25	6.35	1.66	-4.81	12.28	11.08	39.76	4.58
2019	-	-	-	-	-	-	-	-0.60	3.90	3.77	6.59	2.77	17.40	16.77

Performance attribution YTD % (gross of fee)							
	Fund	Index	Relative	Allocation Effect	Selection Effect	Interaction Effect	Total Effect
Communication Services	10.17	3.08	7.09	0.02	0.46	-0.17	0.31
Consumer Discretionary	12.66	12.95	-0.29	0.04	0.03	-0.06	0.01
Consumer Staples	-5.81	13.73	-19.54	-0.07	-0.88	-0.03	-0.98
Energy	0.00	9.06	-9.06	-0.13	0.00	0.00	-0.13
Financials	29.28	5.08	24.19	0.15	3.51	-2.45	1.22
Health Care	-8.68	2.87	-11.55	-0.29	-0.92	-1.46	-2.67
Industrials	6.66	7.35	-0.69	-0.01	-0.04	0.03	-0.02
Information Technology	3.86	8.05	-4.19	0.25	-0.32	-0.67	-0.74
Materials	17.80	2.66	15.13	0.10	1.17	-0.58	0.69
Real Estate	-14.41	-2.20	-12.21	0.65	-0.95	0.88	0.58
Utilities	-23.26	1.09	-24.36	-0.02	-0.79	0.05	-0.77
Not Defined	-	-	-	0.49	-0.04	-0.53	-0.08
<b>Fund Total</b>	<b>3.45</b>	<b>6.04</b>	<b>-2.59</b>	<b>1.19</b>	<b>1.22</b>	<b>-5.00</b>	<b>-2.59</b>

Risk measures	
Standard Deviation (Fund)	24.6%
Standard Deviation (Index)	19.1%
Tracking Error	11.3%
Sharpe Ratio	0.0
Information Ratio	-0.4
Beta	1.2

Top 10 largest positions % of total	
Chemometec A/S	4.2
INVISIO Communications	4.2
SIG Combibloc Group Holdings Sarl	4.1
Games Workshop Group	4.1
Mensch und Maschine Software SE	3.8
Medistim ASA	3.6
Burford Capital Ltd	3.1
Harvia Oyj	3.0
Kainos Group PLC	3.0
Reply SpA	2.9



Source: SEB Investment Management AB

### The fund's investment policy

The fund is actively managed and invests in European small cap companies. The market capitalization of these companies may not fall below the lowest and/or exceed the highest market value of the companies included in the MSCI Europe Small Cap Net Return Index, a reinvesting index that includes equities of European small cap companies. The fund may also invest up to ten percent of the assets in companies registered in Eastern Europe. We use a fundamental investment process to identify companies we regard as having a high level of quality. This type of company is generally characterised by a strong market position, stable profit margins and a skilled management team. The fund promotes sustainability-related properties via integrated sustainability analysis as part of investment decisions, and the exclusion of companies, business models and products that are deemed to affect the climate, society, or stakeholders negatively. The fund's active corporate governance process aims to drive and influence the development of companies in which we invest. For detailed information, see the fund's Sustainability Information Document on the Prices & Facts section of our website. As the fund invests in securities that are issued in other currencies than the base currency of the fund the return may be affected by changes in the exchange rates.

Please note: The data and investment comment that are shown in this document – Institutional Monthly Report – represents this specific share class. Consequently, the data and investment comment, may differ depending on which share class you are invested in. Please see the fact sheet, or other relevant source, for more information.

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## Important Information

The report contains a preliminary estimate of data for fund valuation and does not constitute the final values. For the final fund value, please refer to the fund's annual and semiannual reports on [www.sebgroup.lu](http://www.sebgroup.lu). This material is prepared by SEB and contains general information regarding financial instruments marketed, sold or solicited by SEB. SEB means Skandinaviska Enskilda Banken AB (publ) including its subsidiaries as well as its affiliated companies. Neither this material nor the products described in it are intended for distribution or sale in the United States or to US persons, and any such distribution is not allowed. The offering of shares or units in the funds may also be restricted in other jurisdictions. This document may not be used to make an offer or solicitation with respect to the sale of shares or units where such an offer or solicitation is unlawful. Although the information in this material is based on sources deemed by SEB to be reliable, SEB assumes no liability whatsoever for incorrect or missing information or for any loss, damage or claim arising from the use of this material. Past performance does not guarantee future performance. The value of investment funds and other financial instruments may rise as well as fall and there is no guarantee you will recover your original investment. If you or a fund invests in financial instruments denominated in a foreign currency, changes in currency exchange rates can affect the return on the investment. SEB makes no representation that funds whose share or unit classes aim at hedging the fund's return from changes in currency exchange rates will succeed in achieving this. Any tax information in this material is based on regulations valid as per the date of this presentation and may be subject to change. Note that any tax information in this material is general. It should also be noted that information on tax (if any) has not been tailored on any individual circumstances of any individual potential investor and in order for an individual potential investor to understand the tax treatment of an investment the potential investor should obtain tax advice. You are fully and solely responsible for your investment decision. This material is not intended for or suitable as the sole basis for investment decisions. Instead, you should base your decision on the information in the fund's product documentation, including its fact sheet, Key Information Document, fund regulations and prospectus. These are available on [www.sebgroup.lu](http://www.sebgroup.lu)

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### For investors in Germany (December 2021)

In accordance with Section 310 (1) and (2) of the Investment Code (Kapitalanlagegesetzbuch KAGB), the Management Company has notified the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin: the German Federal Financial Supervisory Authority), Frankfurt am Main, of the distribution of Fund units in Germany.

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#### *Publications*

The prospectus, the Key Information Documents, the constitutive documents as well as the annual and semi-annual reports can be obtained free of charge from the Information Agent and are available to investors on the website [www.sebgroup.lu](http://www.sebgroup.lu). The issue and redemption prices of Fund are available upon request at the office of the Management Company and published on the website [www.sebgroup.lu](http://www.sebgroup.lu).

In addition, the investors in Germany will be provided by means of a durable medium in accordance with § 167 KAGB in German or in a language that is customary in the sphere of international finance (§ 298 clause 2 KAGB):

- a) suspension of the redemption of the units of an EU UCITS;
- b) termination of an EU UCITS' management or the winding-up of an EU UCITS;
- c) amendments to the fund rules which are inconsistent with existing investment principles, affect material investor rights, or relate to remuneration or the reimbursement of expenses that may be amendments and the rights of investors, the information must be communicated in an easily understandable form and manner and must indicate where and how further information may be obtained;
- d) the merger of EU UCITS in the form of information on the proposed merger which must be drawn up in accordance with Article 43 of Directive 2009/65/EC;
- e) the conversion of an EU UCITS into a feeder fund or any change to a master fund in the form of information which must be drawn up in accordance with Article 64 of Directive 2009/65/EC.

All payments to unitholders (sales proceeds, distributions, if applicable, and all other payments) may be received in Germany through the Transfer Agent of the fund via the German correspondent bank.

Furthermore, investors in Germany may address their redemption or conversion request directly to their German correspondent bank.