

# Annual Report 2023

## Swedbank Robur Östeuropafond

Fund Manager: Swedbank AB  
Fund type: Equity funds  
Start date: 1996-12-03

Share classes in the fund: A  
Benchmark: -  
Base currency: SEK

### Summary

In the first half of 2023, until the fund's split on 27 April 2023, the fund rose by 11.9%. Please note that the fund return of 381.2% shown in the Key Facts table is calculated as of 31 December 2023 and reflects how the increase in the fund's cash following a sale (in connection with the share buyback of the company in question in the autumn) affected the value of the remaining holdings after the split of the fund. These remaining holdings were valued in the split at 1% of their value before the outbreak of the war in Ukraine.

The fund's main investment markets before the split were Poland (30%), Turkey (26%), Greece (22%) and Hungary (11%). The other countries where the fund had invested were Slovenia, Lithuania, Georgia and Kazakhstan. The main positive contribution during the period came from the holdings in Alpha Bank and National Bank of Greece, which were the fund's largest holdings. Negative contributions came from holdings in the Turkish IT and software companies Indeks and Logo Yazilim.

The fund's Russian holdings have been written down to near zero since 2022-02-28, given that the Russian stock market is still closed to foreign investors. The Russian holdings remained in this fund at the end of the year, while other holdings were transferred to the new Swedbank Robur Emerging Europe fund through the fund's split.

During the year, Swedbank Robur chose to cease management of the fund and the fund was thus taken over by the custodian, Swedbank AB, on 16 November 2023. After the depositary took over the management of the fund, it was decided to liquidate the fund. As part of the liquidation process, the depositary will dispose of the remaining fund holdings at the pace and to the extent possible under current market conditions.

### Other information

The fund may use derivative instruments, including OTC derivatives, as part of its investment policy. During the period, the fund did not use any derivatives. The fund may use techniques and instruments pursuant to Chapter 24, Section 13 FFFS 2013:9 but has not taken advantage of the opportunity.

On 27 April 2023, the fund was split and all holdings except those in Russia were transferred to the new fund Swedbank Robur Emerging Europe. On the same day, Östeuropafond was closed for trading, the management fee was reduced from 1.42% to 0% and the benchmark was removed. The current circumstances in Russia mean that a relevant benchmark index is not available. On 2 June 2023, the fund's SFDR classification was changed from an Article 8 fund to an Article 6 fund.

On 16 November 2023, Swedbank Robur AB ceased its management of this fund, and the fund was thus taken over by the depositary, Swedbank AB.

## Risk Class



## Fund's top 5 holdings

	Market value, tSEK	% of fund
Yandex	1,238	2.8
Norilsk Nickel	1,129	2.5
Sberbank	1,123	2.5
TCS Group	1,046	2.3
Moscow Exchange	605	1.4

## Share classes

Share class A is open in the fund. The fund is currently closed for trading. Share class A is a non-dividend share class traded in SEK. Other share classes are not currently open in the fund. The various share classes differ with regards to charges, dividend, threshold for subscription charges, currency for subscription and redemption plus specific terms and conditions for distribution. The shares in a share class have equal rights to the assets in the fund. More information on the fund's share classes can be found in the Fund Rules.

Basic facts	231231	221231	211231	201231	191231	181231	171231	161231	151231	141231
Fund net asset value, SEKk	44,773	1,825,188	4,245,367	4,108,592	5,662,018	4,001,425	4,516,322	4,268,356	3,202,563	3,838,498
Net asset value, share class A, SEK	88.83	18.46	36.81	33.43	43.02	30.50	31.88	28.75	20.94	22.00
Number of outstanding units, share class A, thousands	504	98,859	115,330	122,884	131,625	131,205	141,659	148,443	152,960	174,512
Fund return closing price (incl. div.) share class A, %	381.2	-49.9	10.1	-22.3	41.0	-4.3	10.9	37.3	-4.8	-16.8
Benchmark (incl. div.) share class A, %	-	-48.1	15.3	-22.7	37.6	-3.8	8.5	35.5	-8.1	-14.1
Tracking error (active risk), %	-	9.1	5.5	4.8	3.1	3.7	4.8	5.2	5.5	5.4

The fund was, as of April 27, 2023, divided into two funds, Östeuropafond and Emerging Europe. Values for Östeuropafond from this date are based on theoretical NAVs.

The fund has no benchmark from 2023.

Note that the fund return of 381.2 % displayed above is calculated as of 31 December 2023 and reflects how the increase in the fund's cash account following a sale during the fall affected the value of the remaining holdings after the fund split.

## Holdings and positions in financial instruments as of 2023-12-31

### Transferable securities on a regulated or equivalent market outside the EES

	Unit / Nom	Market value, SEKk	% of fund
<b>Financial</b>			<b>8.5</b>
TCS Group (CY)	288,361	1,046	2.3
		<b>1,046</b>	<b>2.3</b>
<b>Industry</b>			
HeadHunter Group (RU)	138,773	210	0.5
		<b>210</b>	<b>0.5</b>

### Communications

Cian ADR (RU)	889,400	305	0.7
Mobile Telesystems (RU)	250,000	139	0.3
Sistema PJSC GDR (RU)	249,549	125	0.3
VK (RU)	244,822	90	0.2
Yandex (RU)	648,481	1,238	2.8
		<b>1,897</b>	<b>4.2</b>

### Consumption, Groceries

Fix Price Group (CY)	387,635	102	0.2
X5 Retail Group (RU)	197,413	240	0.5
		<b>342</b>	<b>0.8</b>

### Consumption, rare goods

Ozon (RU)	248,733	291	0.6
		<b>291</b>	<b>0.6</b>

### Transferable securities for regular trading on another market regulated and open to the public

	Unit / Nom	Market value, SEKk	% of fund
<b>Financial</b>			<b>12.0</b>
Moscow Exchange (RU)	4,997,458	605	1.4
Sberbank (RU)	7,064,936	1,123	2.5
Sberbank (RU)	3,407,872	546	1.2
VTB Bank (RU)	5,339,665,165	129	0.3
		<b>2,403</b>	<b>5.4</b>
<b>Communications</b>			
Mobile Telesystems (RU)	1,334,183	382	0.9
		<b>382</b>	<b>0.9</b>

### Consumption, rare goods

Detsky Mir (RU)	1,230,478	128	0.3
		<b>128</b>	<b>0.3</b>

### Materials

Norilsk Nickel (RU)	46,358	1,129	2.5
Novolipetsk Steel (RU)	1,603,314	366	0.8
Segezha Group (RU)	49,100,000	463	1.0
United RUSAL (RU)	6,403,489	486	1.1
		<b>2,444</b>	<b>5.5</b>

<b>Total financial instruments with positive market value</b>	<b>9,142</b>	<b>20.4</b>
<b>Total financial instruments with negative market value</b>	<b>0</b>	<b>0.0</b>

<b>Total financial instruments</b>	<b>9,142</b>	<b>20.4</b>
Net other assets and liabilities	35,631	79.6
<b>Fund capital</b>	<b>44,773</b>	<b>100.0</b>

## Fund facts

<b>Risk and return measures</b>	<b>231231</b>
Standard deviation fund, %	259.8
Average annual return 2 yrs, %	
- Share class A	42.3
Average annual return 5 yrs, %	
- Share class A	20.3

<b>Costs</b>	<b>231231</b>
Management fee as % of average fund assets*	
- Share class A	1.34
Transaction costs (turnover costs), SEKk*	543
Transaction costs in % of securities traded*	0.06
Management fees and other administrative or operating costs**, %	
- Share class A	0.00
Management fee in SEK, saving amount 10,000 SEK*	
- Share class A	46
Management fee in SEK, saving amount 100 SEK/month*	
- Share class A	1.11

<b>Turnover</b>	<b>231231</b>
Turnover rate, times/year	0.2

<b>Derivative instruments</b>	<b>231231</b>
Highest gross derivative exposure, %	0.0
Lowest gross derivative exposure, %	0.0
Average gross derivative exposure, %	0.0

<b>Trading of financial instruments</b>	<b>231231</b>
Turnover through funds managed by Swedbank Robur Fonder AB, %	0.0

The amount stated for "Management fees and other administrative or operating costs" is an estimate since the fund's management fee for share class A has been changed.

Rounding differences may occur.

See explanations in the glossary on [swedbank.se/ordlista/fonder](https://www.swedbank.se/ordlista/fonder)

\* Based on the previous 12 months. Management fee as % of average fund assets has not been withdrawn since 2023-04-27.

\*\* Management fee and other costs as interest costs are included. However commissions/transaction fees are not included. Based on the previous 12 months.

## Balance sheet

<b>Assets, SEKk</b>	<b>231231</b>	<b>221231</b>
Transferable securities	9,142	1,740,786
<b>Total financial instruments with positive market value</b>	<b>9,142</b>	<b>1,740,786</b>

<b>Assets, SEKk</b>	<b>231231</b>	<b>221231</b>
Cash assets and other liquid assets	35,273	73,075
Prepaid costs and accrued income	358	291
Other assets	0	11,462
<b>Total assets</b>	<b>44,773</b>	<b>1,825,614</b>

<b>Liabilities, SEKk</b>	<b>231231</b>	<b>221231</b>
Accrued costs and prepaid income	0	426
<b>Total liabilities</b>	<b>0</b>	<b>426</b>
<b>Fund capital</b>	<b>44,773</b>	<b>1,825,188</b>

## Income statement

<b>Income and changes in value, SEKk</b>	<b>231231</b>	<b>221231</b>
Value changes on negotiable securities	154,367	-2,103,128
Interest income	1,424	2,452
Dividends	7,231	71,619
Currency exchange gains and losses net	-2,315	477
Other income	1	3
<b>Total income and change in value</b>	<b>160,708</b>	<b>-2,028,578</b>

<b>Costs, SEKk</b>	<b>231231</b>	<b>221231</b>
Administrative costs	8,242	26,174
Interest costs	0	9
Other financial costs	2	168
Other costs	653	2,559
<b>Total costs</b>	<b>8,898</b>	<b>28,910</b>
<b>Profit for the year</b>	<b>151,810</b>	<b>-2,057,488</b>

<b>Change of fund assets, SEKk</b>	<b>231231</b>
Fund assets at the beginning of the year	1,825,188
Unit issuance	4,428
Unit redemption shared funds	-1,699,634
Unit redemption	-237,019
Profit for the year according to the income statement	151,810
<b>Fund assets at end year</b>	<b>44,773</b>

## Investment Policy

Östeuropafond is an equity fund that as of 27 April 2023 consists only of Russian holdings. As actively managed, the fund had the possibility to invest up to 20% of its assets in companies that at the time of investment had at least 30% of their assets, production, profits or turnover in Eastern Europe. The fund opts out of companies that produce fossil fuels such as coal, oil and gas companies. Exceptions could be made for conversion companies. The fund's investment strategy focused on company selection, with sector, region and theme analysis being key elements of the strategy. The fund's active management complied with the Management Company's Policy for Responsible Investments and applies an extended exclusion level. Since the takeover by the depositary, the fund is in liquidation, which means that there are only asset disposals until the final dissolution can be carried out.

## The fund's sustainability work

How did this financial product consider principal adverse impacts on sustainability factors?

The fund has taken into account the principle adverse impacts on sustainability factors (PAI) by following Swedbank Robur's "Strategies to identify and prioritize principal adverse sustainability impacts" (in Swedish). In the fund's management, investments linked to PAI have been identified, prioritised and mitigated or accepted. Information on EU:s taxonomi för miljömässigt hållbara verksamheter

The EU taxonomy is a classification system that aims to establish common criteria for environmentally sustainable economic activities. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## Level of activity

The activity in the fund can be measured in various ways. A common measure is active risk, or tracking error, showing how much the fund's historical returns have varied in value in relation to its benchmark.

The level of tracking error differs between different fund categories (equities, interest rates) as the volatility of the underlying markets differs. Tracking error is calculated according to industry standards and is based on monthly data and covers the last 24-month period.

## Description of activity rate

The fund is actively managed. The fund manager conducts an ongoing analysis and makes active decisions regarding the fund's composition and holdings. The fund manager monitors and modifies the portfolio in order to meet the fund's objectives.

## Description of Benchmark Index

The fund does not have a benchmark index since the fund's former Russia index has ceased to exist. The Management Company considers that there is no longer a relevant benchmark index available due to the current circumstances in Russia. The fund is closed for trading.

## Risk assessment method

The Management Company measures the total exposure of the fund using the commitment approach on a daily basis. The commitment approach calculates the fund's global exposure from using derivatives. This calculation involves converting derivative positions into a comparable position in the underlying assets of the derivative. A delta calculation is also done for options and similar. When calculating total exposure, the Management Company considers netting and hedging.

## Fund Risks

Normally, equity funds have the highest potential for long-term value growth. However, any investment in an equity fund also implies a high level of risk, as share prices may fluctuate significantly in equity markets. Investments in emerging markets normally entail a higher risk than investments in more established equity markets.

Material risks in the fund that are not fully reflected in the risk indicator are:

- Operational risk. Investments in growth markets involve increased exposure to operational risks since a country in an earlier stage of development faces more political, economic and structural changes than a more established market. There is an increased risk of conflicts that can affect political stability and, as a result, economic development, as well deficiencies in the financial and legal system that can adversely impact the value of the fund.
- Liquidity risks. Liquidity can be low for individual investments. In the event of poorer liquidity in the market, it may cause the fund to have difficulties selling holdings at a reasonable price, and in the case of large outflows, the proceeds from the sale to unit holders may need to be postponed.
- Currency risk. The fund invests in securities denominated in currencies other than the fund's base currency (SEK) and is therefore affected by exchange rate fluctuations.
- Sustainability risk. The fund invests in companies active in markets with an increased exposure to sustainability risks. Sustainability risks involve an environmental, social or corporate governance related event, which, if it occurs, can have a significant adverse impact on the value of the investment.
- As the fund uses derivatives to a small extent, the fund's risk profile is affected to some degree.

## Remuneration Policy

The Management Company's Board has adopted a remuneration policy which is consistent with and promotes sound and effective risk management. The Management Company's remuneration policy is also structured to counter risk-taking that is incompatible with the risk profiles of the funds managed by the Management Company. The remuneration policy shall counteract excessive risk-taking and encourage employees to deliver sustainable performance at any given time.

The remuneration system consists of two variable remuneration policies, in addition to fixed remuneration in the form of monthly payments in cash. The variable remuneration programme, "Eken", is group-wide and the individual performance and remuneration programme, "IPAM", which is based on fund shares, was introduced in 2017 specifically for Robur as the regulatory framework for fund companies differs from the regulatory framework that is applied within the Group in general. Variable remuneration can be paid with a maximum of 12 fixed monthly salaries.

Eken is a general equity-related remuneration programme and in principle includes all employees within the Swedbank Group, though not all employees within the Management Company, and normally consists of deferred remuneration in the form of equities in Swedbank AB (publ). Those that are entitled to IPAM are not entitled to Eken. IPAM covers 67 employees in the Management Company. IPAM consists of both cash and fund shares. 60% of variable remuneration is paid directly after the year of performance; 50% is paid in fund units and 50% in cash. 40% of the remuneration is deferred as below, of which 50% is paid in fund shares and 50% in cash. Fund units (including deferred fund units) are locked as performance rights for one year after allocation before they can be sold.

The deferment period should reflect the recommended holding period that is stated in the fund factsheet; no less than 3 years, however.

For funds with a 3-year recommended holding period, the deferred element should be paid after 3 years, without being prorated.

For funds with a 5-year recommended holding period and for alternative investment funds, the deferred element should be paid over a period of 5 years via a prorated distribution (evenly distributed over the period the compensation is deferred) where the first payment of cash and the transfer of fund units may only be made one year after the date the variable remuneration was decided.

This rule shall only apply for alternative investment funds provided that the 5-year deferral period does not conflict with the estimated average holding period of the holding in the relevant fund according to the fund documentation, e.g., the Information brochure and Investment contract).

Variable remuneration should only be paid or transferred to the employee for that portion that is justifiable with regard to Robur's financial situation and be motivated with regard to the results of the fund, the business unit and the employee. The deferred portion of the remuneration can disappear completely for the same reason.

The remuneration programme is designed to ensure that, to the greatest possible extent, conflicts of interest are avoided. Every portfolio manager is monitored and assessed based on all management assignments. The variable remuneration system is continuously followed up and monitored. Variable remuneration is designed to stimulate sound behaviour and desired results, and to create a healthy balance between fund rewards and fund risk exposure.

In setting employee targets, consideration is given to the risk profile in the funds the employee administers, the benchmark index and the investment horizon. These targets are measurable, clear and transparent. These objectives also include how the employee experiences the company's values (open, modest and considerate).

Variable remuneration is based on the performance of the individual, which is evaluated against performance criteria that are set at the start of each calendar year. The assessment is based on a combination of quantitative and qualitative results. Variable remuneration is only paid if quantitative targets with regard to returns or qualitative targets with regards to a long-term sustainable strategic transfer is fulfilled over time. According to Robur, a sustainable strategic transfer is a prerequisite for reaching long-term financially sustainable returns. This means that maximum returns cannot be generated unless both the target rates of return and sustainability targets have been taken into consideration.

During the year, implementation of the remuneration policy has been the subject of an independent review by internal audit without any essential deviations. Information on remuneration in line with Swedish Financial Supervisory Authority regulations on securities funds and regulations on managers of alternative investment funds can be found on the Management Company's website.

## Remuneration Amount

The Management Company's combined remuneration amount paid 2023: SEK 256,537,360 of which SEK 27,136,290 relates to variable remuneration in Sweden. SEK 26,558,016 of which SEK 727,790 relates to variable remuneration in Lithuania. Remuneration covers all 279 employees (208 in Sweden and 71 in Lithuania). The total amount of remuneration paid out during the year to the company's senior management, employees who have a significant influence on the risk profiles of the fund company/funds and employees with responsibility for control functions (SRS), 80 people, amounted to SEK 145,724,614 excluding retirement pension costs, of which risk takers were paid: SEK 119,490,657, leading strategic positions: SEK 23,412,467 and control functions: SEK 2,821,490.

## Accounting Principles

This annual report has been prepared as regulated by the Swedish Investment Funds Act (2004:46). The Swedish Financial Supervisory Authority's regulations FFFS 2013:9, ESMA's guidelines, and takes into account the guidelines for accounting for key performance indicators regarding mutual funds and special funds issued by the Swedish Investment Fund Association.

## Valuation Principles

The fund's financial instruments including liabilities and derivatives are normally valued at market value corresponding to the closing price on the balance sheet date (31/12/2023).

If such price cannot be obtained or is misleading as so deemed by the Management Company, valuation may be made according to generally accepted valuation principles. Due to financial sanctions applied to Russia and Russia's implemented capital restrictions for foreign investors none of the fund's financial instruments are tradable for foreign investors. Therefore, all securities of this fund are valued theoretically based on last available market values in comparable assets on the day before these restrictions (25/02/2022). As a result, the values of affected fund's financial instruments decreased by around 99% compared to their market values on the last trading day before these restrictions.

Valuation of the fund's financial instruments may increase or decrease substantially and rapidly when Russian markets re-open for foreign investors.

## Audit Report

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To shareholders in Swedbank Robur Östeuropafond.

### Annual Report Statements

As auditors of Swedbank Robur Fonder AB, corporate identity number 556198-0128, we have carried out an audit of the Annual Report Swedbank Robur Östeuropafond for 2023.

In our view, the annual report has been produced in accordance with the Securities Act and the Swedish Financial Supervisory Authority regulations on securities funds and provides, in all material respects, a true picture of the financial position of Swedbank Robur Östeuropafond as of 31 December 2023 and of its financial performance for the year, in accordance with the Securities Funds Act and the Swedish Financial Supervisory Authority regulations on securities funds.

### Basis for Statement

We performed the audit in accordance with the International Standards on Auditing (ISA) and generally accepted accounting practice in Sweden. Our responsibility, according to these standards, has been described in more detail in the section *Auditor's responsibilities*. We are independent in relation to the Management Company in accordance with professional ethics for accountants in Sweden and have fulfilled our ethical responsibility according to these requirements.

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

### Management Company's liability

The Management Company is responsible for producing the Annual Report and that it presents a true picture in accordance with the Investment Funds Act and the Swedish Financial Supervisory regulations on securities funds. The Management Company is also responsible for internal checks that it assesses as necessary to produce an Annual Report that does not contain any material misstatements, either due to irregularities or errors.

### Auditor's responsibilities

Our goal is to reach a reasonable amount of security as to whether the Annual Report as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high degree of certainty, but there is no guarantee that an audit performed in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement, if such exists. Inaccuracies can arise due to irregularities or errors and are considered to be important if they individually or together can reasonably be expected to affect the financial decisions that users make on the basis of the Annual Report.

As part of an audit as per ISA, we use professional judgement and adopt a professionally sceptical attitude throughout the audit. In addition:

- We identify and assess the risks of material misstatement in the Annual Report, whether due to irregularities or error; we design and carry out audit procedures, based on these risks etc., and obtain audit evidence that is sufficient and appropriate to provide a basis for our statements. The risk of not discovering a material misstatement due to irregularities is greater than for a material misstatement due to errors, as irregularities can include actions in collusion, falsification, deliberate omissions, the provision of incorrect information or a breach of internal controls.
- We acquire an understanding of the part of the Management Company's internal controls that is of importance for our audit in order to design audit procedures that are appropriate in respect of the circumstances, but not to express an opinion on the effectiveness of internal controls.
- We evaluate the appropriateness of the accounting principles used and the reasonableness of the Management Company's estimates in the accounts and associated information.
- We evaluate the general presentation, structure and content of the Annual Report, including the information, and whether the Annual Report reflects the underlying transactions and events in a way that gives a true picture.

We are required to notify the Management Company of the scope of the planned audit and orientation and the time for this. We are also required to provide notification of significant observations during the audit, including any material failings in the internal controls we have identified.

Stockholm, 07 March 2024

PricewaterhouseCoopers AB

Peter Nilsson

Certified public accountant

Auditor in charge

The Depository, Swedbank AB (publ), hereby issue Annual report 2023 for Swedbank Robur Östeuropafond.

Stockholm, 07 March 2024

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Maria Janson,  
Head of Institutional Banking

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Henrik Reinfeldt,  
Head of Securities Services

Our audit report on this annual report was issued on 07 March 2024.

PricewaterhouseCoopers AB

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Peter Nilsson,  
Certified public accountant  
Auditor in charge