



# Latinamerikafond

## Management Report

### Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index. The fund invests in the markets of Latin America and mid-America. The fund may also invest in companies within the EU, EFTA, Australia, Hong Kong, Japan, Canada, Singapore and the U.S. that have a minimum of 25% of their business or market in Latin America. The thematic investment strategy implies that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of these themes include Demographics, Productivity, Lifestyles and the Environment.

### Portfolio

Latinamerikafond rose 14.7% during the full year 2017\*. Holdings in several Brazilian education companies, including Estacio and SER, contributed positively to fund returns during the year. An acquisition of the Chilean healthcare company Banmédica was also positive to returns. The economic recovery in Brazil continued throughout the year, driven by low inflation and sharply declining interest rates, which benefited stock market growth in Latin America's largest country. The Brazilian real weakened slightly against the SEK during the year. Despite major political uncertainty, the Brazilian Congress implemented several structural reforms, including a labour market reform. However, the implementation of the important pension reform remains. In addition, Brazil will be facing an unusually important presidential election in 2018. December's presidential election in Chile was won by the market-friendly Sebastián Piñera, which was received positively by the stock market in Chile. In contrast, the Mexican stock market did not follow the upward trend, due to uncertainty about the presidential election in 2018 and concerns about the Nafta negotiations. The Mexican peso rebounded at the beginning of the year after the sharp decline at the end of 2016 as a result of Trump's election victory, but then weakened again during the autumn of 2017.

\*) The fund may have additional share classes, the concerned share class is stated in the Fund facts. Refer to fund statistics for comparable index.

### Significant risks

As of the balance sheet date, the fund does not have any other significant risks in its holdings than those stated in the fact sheet and information brochure.

### Trading with derivatives

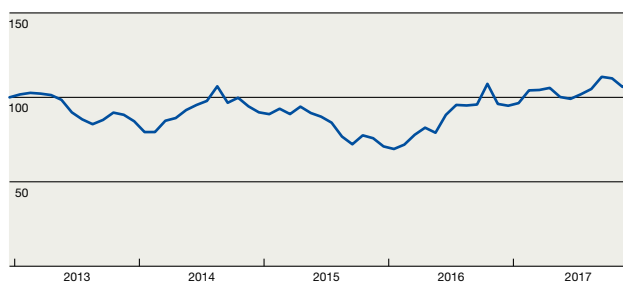
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund did not use this option in 2017. The fund has the option of lending securities. The fund used this option to a limited extent in 2017. The fund may use other techniques and instruments (refer to the attachment Definitions - Annual report regarding what constitutes techniques and instruments). The fund did not use this option in 2017.

### Information

Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of EU taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information. Information on compensation to employees is available on the Management Company's webpage as well as in the Management Company's annual report.

Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

### Fund Performance\*



\* Performance is shown in the fund's base currency. The fund may have several share classes, which are referred to in the Fund Facts.

## Fund Facts - History

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net asset value										
Latinamerikafond A1 - SEK	301.82	263.21	196.48	252.39	237.72	276.93	243.16	312.41	270.17	150.08
Latinamerikafond A1 - EUR	30.70	27.47	21.45	-	-	-	-	-	-	-
Latinamerikafond A1 - NOK	301.52	249.39	206.29	-	-	-	-	-	-	-
Latinamerikafond B1 - SEK	256.04	231.79	177.90	235.67	229.59	276.93	-	-	-	-
The fund's total net flow, mSEK	86	542	-448	-856	-758	628	-	-	-	-
Fund capital total, mSEK	3,491	2,937	1,794	2,785	3,471	4,861	3,603	5,938	3,901	1,448
Latinamerikafond A1 - SEK	3,405	2,865	1,745	2,782	3,462	4,850	3,603	5,938	3,901	1,448
Latinamerikafond A1 - EUR	3	3	2	-	-	-	-	-	-	-
Latinamerikafond A1 - NOK	52	44	31	-	-	-	-	-	-	-
Latinamerikafond B1 - SEK	0	0	0	3	9	11	-	-	-	-
Number of units, 1000's	11,566	11,160	9,132	11,035	14,601	17,552	14,818	19,007	14,438	9,650
Latinamerikafond A1 - SEK	11,281	10,884	8,879	11,021	14,561	17,511	14,818	19,007	14,438	9,650
Latinamerikafond A1 - EUR	110	100	103	-	-	-	-	-	-	-
Latinamerikafond A1 - NOK	174	175	149	-	-	-	-	-	-	-
Latinamerikafond B1 - SEK	1	1	1	14	40	41	-	-	-	-
Total returns in %, SEK										
Latinamerikafond A1 - SEK	+14.7	+34.0	-22.2	+6.2	-14.2	+17.1	-20.7	+17.1	+86.2	-41.1
Latinamerikafond A1 - EUR	+11.8	+28.0	-19.5	-	-	-	-	-	-	-
Latinamerikafond A1 - NOK	+20.9	+20.9	-14.7	-	-	-	-	-	-	-
Latinamerikafond B1 - SEK	+14.7	+34.0	-22.2	+6.2	-14.2	+3.6	-	-	-	-
Index including dividends in %, SEK										
Latinamerikafond A1 - SEK	+11.5	+41.2	-25.7	+6.9	-14.5	+4.0	-17.0	+10.5	+82.9	-38.3
Latinamerikafond A1 - EUR	+8.7	+35.0	-23.2	-	-	-	-	-	-	-
Latinamerikafond A1 - NOK	+17.6	+27.4	-18.6	-	-	-	-	-	-	-
Latinamerikafond B1 - SEK	+11.5	+41.2	-25.7	+6.9	-14.5	+3.7	-	-	-	-
Average yearly return, 2 yrs. %										
Latinamerikafond A1 - SEK	+23.9	+2.1	-9.1	-4.5	+0.3	-3.7	-3.6	+47.7	+4.8	-10.3
Latinamerikafond A1 - EUR	+19.6	+1.5	-10.6	-	-	-	-	-	-	-
Latinamerikafond A1 - NOK	+20.9	+1.6	-4.2	-	-	-	-	-	-	-

Latinamerikafond, cont.

## Fund Facts - History cont.

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Latinamerikafond B1 - SEK	+23.9	+2.1	-9.1	-4.5	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+25.5	+2.4	-10.9	-4.4	-5.7	-7.1	-4.2	+42.2	+6.3	-8.6
EUR	+21.1	+1.8	-12.4	-	-	-	-	-	-	-
NOK	+22.4	+1.9	-6.1	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Latinamerikafond A1 - SEK	+1.7	+2.2	-8.0	-0.2	+11.7	+3.6	+6.8	+16.4	+26.2	+17.2
Latinamerikafond A1 - EUR	-1.0	+0.7	-8.3	-	-	-	-	-	-	-
Latinamerikafond A1 - NOK	+4.9	+3.9	-4.4	-	-	-	-	-	-	-
Latinamerikafond B1 - SEK	+1.7	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+1.4	-0.1	-10.1	-2.7	+8.3	+1.5	+7.0	+15.7	+27.6	+18.9
EUR	-1.4	-1.5	-10.4	-	-	-	-	-	-	-
NOK	+4.5	+1.7	-6.6	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Latinamerikafond A1 - SEK	+2.7	+4.5	+3.5	+12.3	+14.4	+20.0	+13.0	+16.5	+13.7	+12.6
Latinamerikafond A1 - EUR	+2.3	+3.8	+3.7	-	-	-	-	-	-	-
Latinamerikafond A1 - NOK	+4.5	+4.9	+5.7	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+1.4	+3.4	+2.0	+11.4	+13.5	+19.5	+13.9	+17.2	+15.1	+14.1
EUR	+1.0	+2.8	+2.2	-	-	-	-	-	-	-
NOK	+3.2	+3.8	+4.2	-	-	-	-	-	-	-
Dividends per unit, SEK										
Latinamerikafond A1 - SEK	-	-	-	-	-	7.78	5.17	3.28	5.31	2.37
Latinamerikafond B1 - SEK	9.27	5.34	7.07	6.89	9.69	0.00	-	-	-	-
Exchange rate EUR/SEK	9.83	9.58	9.16	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.00	1.06	0.95	-	-	-	-	-	-	-

Jämförelseindex: MSCI Emerging Markets Latin America 10/40 Net

The fund's benchmark represents a comparable reference with regard to the fund's investment focus, types of assets, markets or relevant sectors. In the event the fund issues dividends, performance is calculated with distributions added back.

Detailed information for the share classes' designation (nomenclature) is provided in the information provided by the Management Company.

Refer to the last page for definitions.

## Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Latinamerikafond A1	1.60
Latinamerikafond B1	1.60
Collected mgmt. costs in % of average fund capital	
Latinamerikafond A1	1.60
Latinamerikafond B1	1.60
Annual fees in %	
Latinamerikafond A1	1.63
Latinamerikafond B1	1.63
Analyzing costs, tSEK	1,076
Transaction costs, tSEK	1,160
Transaction costs in % of turnover	0.07
Costs in SEK for a one-time subscription, 10 000 SEK	
Latinamerikafond A1	177.32
Latinamerikafond B1	177.32
Costs in SEK for monthly savings, 100 SEK	
Latinamerikafond A1	10.91
Latinamerikafond B1	10.91

## Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	0.0

## Risk and Return Measurements\*

Total risk % - A1 SEK	19.2	Active return % - A1 NOK	-1.5
Total risk % - A1 EUR	18.5	Active return % - B1 SEK	-1.6
Total risk % - A1 NOK	18.1	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	19.2	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	20.4	Information ratio - A1 NOK	Negative
Total risk in index % - A1 EUR	20.3	Information ratio - B1 SEK	Negative
Total risk in index % - A1 NOK	19.6	Sharpe ratio - A1 SEK	1.3
Total risk in index % - B1 SEK	20.4	Sharpe ratio - A1 EUR	1.1
Active Share % <sup>1)</sup>	75.7	Sharpe ratio - A1 NOK	1.1
Tracking error % - A1 SEK	6.4	Sharpe ratio - B1 SEK	1.3
Tracking error % - A1 EUR	6.4	Sharpe ratio in index - A1 SEK	1.3
Tracking error % - A1 NOK	6.4	Sharpe ratio in index - A1 EUR	1.1
Tracking error % - B1 SEK	6.4	Sharpe ratio in index - A1 NOK	1.1
Jämförelseindex	MSCI Emerging Markets Latin America 10/40 Net	Sharpe ratio in index - B1 SEK	1.3
Active return % - A1 SEK	-1.6		
Active return % - A1 EUR	-1.5		

<sup>1)</sup> As of the balance sheet date.

\* Risk statistics are based on historical monthly returns over two years. Refer to the last page for definitions.

Total exposure in the fund is calculated in accordance with the commitment method.

## Income Statement, SEKt

	2017	2016
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	446,717	580,436
Interest income	47	27
Dividends	86,623	65,474
Currency exchange profits and losses, net	-4,603	-1,964
Other financial income	8	-
Other income	131	77
<b>Total income and changes in value</b>	<b>528,923</b>	<b>644,050</b>
EXPENSES		
Management costs:		
- Remuneration to the Management Company	58,840	39,735
Interest expense	51	61
Other financial expenses	2	-
Other expenses	2,434	2,953
<b>Total expenses</b>	<b>61,327</b>	<b>42,749</b>
<b>Net income</b>	<b>467,596</b>	<b>601,301</b>
* Details of changes in value		
Capital gains	156,674	222,046
Capital losses	-95,088	-158,380
Unrealised gains/losses	385,131	516,770
Sum	446,717	580,436

## Balance Sheet, tSEK

	31 dec 2017	% of fund capital	31 dec 2016	% of fund capital
ASSETS				
Transferable securities	3,461,688	99.2	2,917,479	99.3
<b>Total financial instruments with positive market value</b> <sup>Note 2)</sup>	<b>3,461,688</b>	<b>99.2</b>	<b>2,917,479</b>	<b>99.3</b>
Bank assets and other liquid assets	24,735	0.7	11,864	0.4
Prepaid expenses and accrued income	7,224	0.2	10,115	0.3
Other assets	-	-	40	0.1
<b>Total assets</b>	<b>3,493,647</b>	<b>100.1</b>	<b>2,939,498</b>	<b>100.1</b>
LIABILITIES				
Accrued expenses and prepaid income	2,603	0.1	2,082	0.1
Other liabilities	188	0.0	11	0.0
<b>Total liabilities</b>	<b>2,791</b>	<b>0.1</b>	<b>2,093</b>	<b>0.1</b>
<b>Fund capital</b> <sup>Note 1)</sup>	<b>3,490,856</b>	<b>100.0</b>	<b>2,937,405</b>	<b>100.0</b>
Financial instruments lent	13,151	0.4	-	-
Collateral received for financial instruments lent	13,917	0.4	-	-

Note 1) for Balance Sheet

## Changes in fund capital, SEK

	2017	2016
Fund capital at beginning of year	2,937,405	1,794,278
Units issued	1,454,614	1,862,214
Units redeemed	-1,368,749	-1,320,382
Profit according to Income Statement	467,596	601,301
Dividends to unit holders	-10	-6
<b>Fund capital at the close of the period</b>	<b>3,490,856</b>	<b>2,937,405</b>

Note 2) for Balance Sheet

## Fund holdings in financial instruments

## TRANSFERABLE SECURITIES\*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
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## LISTED EQUITIES

## ARGENTINA (ARS)

Galicia Financial Group ADR (Commercial Banks)	66,152	35,666	1.0
		<b>35,666</b>	<b>1.0</b>

## BRAZIL (BRL)

Aliance Shopping Centers (Real Estate)	395,444	17,608	0.5
Arezzo (Other)	516,048	69,674	2.0
Banco do Brasil (Commercial Banks)	2,182,911	171,447	4.9
BM&FBovespa (Diversified Financial Services)	2,376,821	133,642	3.8
BR Malls (Real Estate)	2,365,208	74,317	2.1
BR Properties (Real Estate)	786,403	20,575	0.6
CCR (Road and Rail)	1,695,593	67,591	1.9
Cielo (IT Services)	344,694	20,011	0.6
CTEEP (Electric Utilities)	173,763	28,693	0.8
Estácio Participacoes (Diversified Consumer Services)	941,603	76,278	2.2
GAEC Educação (Diversified Consumer Services)	263,670	18,418	0.5
Itaú Unibanco Holding pref (Commercial Banks)	2,039,663	214,366	6.1
Itaú Unibanco Holding pref ADR (Commercial Banks)	452,137	48,124	1.4
Itaúsa (Commercial Banks)	5,038,683	134,567	3.9
Kroton (Commercial Services and Supplies)	1,984,932	90,148	2.6
Light (Electric Utilities)	2,479,410	102,140	2.9
Localiza Rent a Car (Road and Rail)	1,176,639	64,068	1.8
LPS Brasil (Real Estate Management and Development)	538,242	7,426	0.2
M. Dias Branco (Food Products)	115,660	14,874	0.4
Mahle-Metal Leve (Auto Components)	217,457	12,812	0.4
Multiplus (Commercial Services and Supplies)	194,265	16,782	0.5
Petrobras pref (Oil, Gas and Consumable Fuels)	1,768,150	70,265	2.0
Profarma (Pharmaceuticals)	946,095	17,397	0.5
SABESP (Water Utilities)	399,947	33,890	1.0
São Paulo Alpargatas (Textiles, Apparel and Luxury Goods)	1,718,351	74,012	2.1
Ser Educacional (Diversified Consumer Services)	1,860,114	143,707	4.1
T4F Entretenimento (Leisure Equipment and Products)	1,353,200	24,549	0.7
Telefônica Brasil (Diversified Telecommunication Services)	676,100	81,137	2.3
Ultrapar Participacoes (Oil, Gas and Consumable Fuels)	121,852	22,557	0.6
Via Varejo (Specialty Retail)	1,033,541	62,424	1.8
WEG (Industrial Conglomerates)	211,024	12,558	0.4
		<b>1,946,057</b>	<b>55.8</b>

## CHILE (CLP)

AFP Habitat (Capital Markets)	3,588,490	44,813	1.3
Andina B ADR (Beverages)	517,320	123,636	3.5
Andina pref (Beverages)	552,284	22,578	0.6
Banmedica (Health Care Providers and Services)	4,368,000	124,680	3.6
Coca-Cola Embonor B pref (Beverages)	2,288,531	52,104	1.5
Forus (Textiles, Apparel and Luxury Goods)	450,863	16,627	0.5
Hortifrut (Food Products)	4,624,734	126,837	3.6
VSPT Wine Group (Beverages)	684,720,000	70,649	2.0
		<b>581,924</b>	<b>16.7</b>

## COLOMBIA (COP)

Banco de Bogotá (Commercial Banks)	197,014	36,461	1.0
Corficolombiana (Diversified Financial Services)	194,441	15,576	0.4
Terpel (Specialty Retail)	135,000	5,259	0.2
		<b>57,295</b>	<b>1.6</b>

## MEXICO (MXN)

Actinver (Software)	2,696,400	15,797	0.5
Alsea (Hotels, Restaurants and Leisure)	1,153,808	31,065	0.9
América Móvil (Wireless Telecommunication Services)	9,892,254	70,124	2.0
Banorte (Commercial Banks)	877,406	39,628	1.1
Bolsa Mexicana de Valores (Diversified Financial Services)	1,422,479	20,126	0.6
Consorcio ARA (Household Durables)	5,088,000	16,331	0.5
Crédito Real (Real Estate Management and Development)	1,594,920	16,392	0.5
Fomento ADR (Beverages)	40,059	30,798	0.9
Gruma (Food Products)	628,430	65,573	1.9

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Grupo Aeroportuario del Centro Norte (Transportation Infrastructure)	1,164,690	49,669	1.4
Grupo Aeroportuario del Pacífico ADR (Transportation Infrastructure)	69,780	104,272	3.0
Grupo Herdez (Food Products)	1,266,567	24,222	0.7
Grupo Sports World (Multiline Retail)	1,208,400	9,229	0.3
Hoteles City Express (Hotels, Restaurants and Leisure)	5,198,579	52,972	1.5
PIINFRA (Transportation Infrastructure)	1,404,656	114,192	3.3
Vesta (Real Estate Management and Development)	3,081,577	31,516	0.9
		<b>691,906</b>	<b>19.8</b>
PERU (PEN)			
Alicorp (Food Products)	2,048,664	54,868	1.6
Andino Investment (Transportation Infrastructure)	1,350,000	5,457	0.2
Graña y Montero (Construction and Engineering)	743,914	3,515	0.1
Inretail Peru (Food and Staples Retailing)	162,900	28,009	0.8
Intergrup (Commercial Banks)	180,800	56,992	1.6
		<b>148,840</b>	<b>4.3</b>
<b>Total listed equities</b>		<b>3,461,688</b>	<b>99.2</b>
<b>Total transferable securities</b>		<b>3,461,688</b>	<b>99.2</b>
<b>Total holdings in financial instruments</b>		<b>3,461,688</b>	<b>99.2</b>
Net, other assets and liabilities		29,168	0.8
<b>Total fund capital</b>		<b>3,490,856</b>	<b>100.0</b>

The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.

\* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.

\*\* Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

\*\*\* Refers to other financial instruments.

## Compilation, Company and Group exposure\*

Company/Group	% of fund capital	Company/Group	% of fund capital
Itaúsa	11.4	Embotelladora Andina	4.1

\* The table provides the combined units of fund capital per issuer in percent, where the fund has holdings in more than one type of securities issued by the same issuer. Underlying securities are shown within parentheses.

## Additional information on lent securities

<b>The volume of lent securities as a % of total lendable assets</b>	<b>1.34</b>
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## The largest issuers of collateral for securities lending per issuer, SEK thousand:

U.S.A.	10 001
The French Government	1 956
The British Government	1 560
The German Government	390
The Belgian Government	11

## The largest counterparties for securities lending, SEK thousand:

Morgan Stanley & Co International Plc, Great Britain	10 625
J.P. Morgan Securities Plc, Great Britain	2 526
	<b>13 151</b>

## Type and quality of collateral, SEK thousand:

Equities	0
Bonds and other interest-bearing instruments	13 917
	<b>13 917</b>

We accept government bonds and treasury bills with a rating of AA- from S&P or Aa3 from Moody's or higher issued by the United States, the British government, states within the eurozone (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain) as well as Australia, Canada, Denmark, Japan, New Zealand, Norway, Sweden and Switzerland. We also accept equities in major and well-known indexes as collateral.

## Profile of the collateral's duration, SEK thousand:

Less than one day	0
One day to one week	0
One week to one month	0
One to three months	0
Three months to one year	235
Greater than one year	13 682
Indeterminate duration	0
	<b>13 917</b>

## Currency of the collateral, SEK thousand:

EUR	2 357
GBP	1 560
USD	10 000
	<b>13 917</b>

The profile of the duration for securities lending is undetermined, but may be immediately terminated.

Settlement and clearing for securities lending is conducted through a third party.

The collateral received is held at JP Morgan Chase Bank N.A. (London Branch) and may not be reused.

## Information about returns and expenses:

Securities lending for the full year generated a total revenue of SEK 8 thousand, of which 80% was passed on to the fund and 20% to JP Morgan Bank N.A. (London Branch) in its role as the intermediary of securities lending.

Latinamerikafond, cont.

Counterparties for securities lending during the year:  
-J.P. Morgan Securities Plc  
-Morgan Stanley & Co International Plc