

Named portfolio manager(s):

Dominik Jahnke (since January 2009)

Peer group: Eurozone Equities

Location: Frankfurt

Launch date: March 1998

Fund size (June 2010): €111m

Contact group: +49 69 27299 1000 or

www.sebassetmanagement.de

Further information on S&P's fund coverage can be found at www.FundsInsights.com



Report date July 2010

Investment style

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

Performance statistics

	Three years
Fund	-30.3%
Standard & Poor's peer median	-36.8%
Index**	-35.8%
Fund rank	118/664

Note: returns are cumulative

Three-year risk characteristics

Maximum drawdown (%)	-20.4
Volatility	7.1
Correlation	1.0
Beta	1.0

Calendar year decile ranks



Decile ranking in discrete annual periods. First decile shown as rank 10, second decile as rank nine, with tenth decile as rank one.

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Standard & Poor's opinion (July 2010)

The fund is managed in a contrarian stockpicking manner aiming to outperform the DJ EuroStoxx 50 index by 2% a year. Dominik Jahnke has managed this fund since January 2009 and has also run a similar segregated fund since July 2008. He has managed money since 2003. Jahnke learnt his investment management style at BayernInvest in Munich which, due to lack of resources, led to an individualistic approach. He has continued that style and makes full use of his own screening model to identify candidates for further analysis or for consideration for sale.

The model examines three main factors equally scored: contrarian (past share price performance relative to universe); valuation (price-to-book; price-to-cashflow and P/E ratio using five-year historic data) and franchise (return on equity (ROE), minus the cost of capital). Ideas from the model along with trading by "insiders" as well as ideas from other sources result in further analysis of the business model and on balance sheet, cashflow and valuation. Alpha may also come from buying a basket of deeply out-of-the-money call and put options on individual securities with one to two years to expiry.

Relative performance has been top quartile between January 2009 and the end May 2010 with added value coming from stock selection and from small-cap exposure. Performance in the segregated account was in line with the benchmark in H2 2008 which gives comfort that Jahnke can operate in different market conditions. This appears to be an appropriate process given the limited resources and results in the achievement of an S&P A rating.

Fund manager & team

This fund is managed by Dominik Jahnke who works within the SEB's Euroland equity team of three. The team is headed by Jurgen Meyer and has an average of 10 years' experience. Most research is based on newsflow and company reports, with minor input from brokers. The team is responsible for €1.3bn of assets, including four retail funds and 11 segregated mandates. The team is free to act independently, with each manager responsible for the stock picks in their own portfolios.

Dominik Jahnke - economics (University of Duisburg-Essen), CFA, started at BayernInvest (Munich) in 2005 managing Asian and European equity funds. He moved to Frankfurt, joining SEB in April 2008 to become a portfolio manager for European/German equities.

Jürgen Meyer - physics, PhD engineering (University of Darmstadt), joined Julius Baer (Frankfurt) in 1999 and assumed portfolio management responsibilities in 2000. He transferred to Zurich in 2003, before leaving the group to join SEB (Frankfurt) as head of Euroland equities in July 2006.

Management style

The fund is managed in a contrarian stockpicking fashion aiming to outperform the DJ EuroStoxx 50 index by 2% a year. It invests mainly in large-cap stocks.

The process starts with a quant screening tool run weekly using three main factors equally scored. Contrarian (past share price performance relative to universe); valuation (price-to-book; price-to-cashflow and P/E ratio using five-year historic data) and franchise (historic return on equity (ROE), minus the cost of capital). Stocks are then ranked along with an indication of whether insiders are buying or selling the shares. The quant screening is used as a starting point for potential new ideas and, if a stock falls down the screen, to indicate potential sales.

Holdings should ideally have a 10% return target and particular attention is paid to valuation and free cashflow. A diversified portfolio is preferred with a range of holdings (around 50) and a balance of stable and cyclical stocks.

Since June 2009 a call option strategy has been employed where the fund buys significantly out of the money and long-dated calls where the implied volatility in the option is under 30%. Returns of 50bps a year are expected from options.

SEB EUROCOMPANIES

German domiciled open-ended investment fund

Fund owner: SEB Asset Management

Fund manager: SEB Investment GmbH

Portfolio & performance analysis (June 2010)

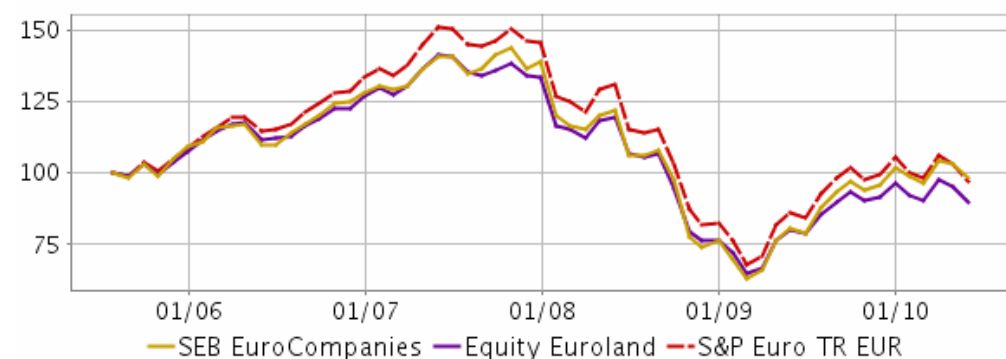
Jahnke took over the management of the fund in January 2009. The fund he inherited had a significant amount of German exposure (60%), including banks and car companies. He trimmed the German exposure and added (on bottom-up grounds) to many Dutch stocks. Jahnke bought companies such as Reed Elsevier, as he likes their business model, and Philips, as he considers it a transformed company. Turnover was around 40% for calendar 2009 but it is expected to be around 20% going forward.

The portfolio is relatively diversified, with 50 holdings and 42% in the top 10 holdings. At the sector level, the most underweight is financials on valuation concerns. Utilities is also underweight because of limited growth potential. Small-cap exposure is relatively high in the portfolio, at 12%, held in companies with a market cap of €5bn and under. Style Research confirms that most of the risk budget is used at stock level.

Jahnke took over the management of this fund in January 2009 and since then has delivered top-quartile cumulative performance within the S&P Euroland equities peer group. He has managed a similar internal fund at SEB since June 2008 with similar success. That fund matched the benchmark in the falling markets in the second half of 2008 but was very strong in 2009 and in the first five months of 2010.

Performance in 2009 was top quartile mainly as a result of good stock selection. Highlights include Randstad Holdings and CSM as well as the fund's small-cap exposure. In the first five months of 2010 top quartile returns were achieved. Added value came from Reed Elsevier as well as being underweight Spanish banks and being underweight financials.

Cumulative performance



Discrete performance (calendar years)

	2006		2007		2008		2009		YTD 31/05/2010	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	17.4	331/558	8.4	131/639	-45.0	523/743	33.1	97/857	-3.4	139/943
Index**	22.6		9.2		-43.6		28.2		-7.7	
Median	18.3		5.3		-42.9		26.4		-7.3	

** S&P Euro TR EUR

Fund benchmark: DJ EuroStoxx 50 index

Share class information

	Initial charge	Exit charge	Annual charge	Expense ratio	Lump sum	Savings plan	ISIN
Ord	5.00%	0%	1.10%	N/A	-	€50	DE0009769208
Registered for sale		Germany					

STANDARD & POOR'S



Portfolio characteristics (1 June 2010)

No. of holdings	50
Turnover ratio (%)	20 est
% in top 10	42

Asset allocation

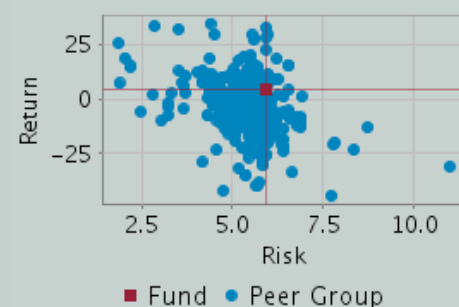
	%
Consumer discretionary	13.7
Consumer staples	17.6
Energy	2.6
Financials	17.8
Healthcare	4.4
Industrials	15.4
Information technology	8.5
Materials	12.1
Telecoms	4.9
Utilities	3.0

Top 10 holdings

	%
Akzo Nobel	5.8
Allianz	4.7
BMW	4.6
Reed Elsevier	4.5
Sanofi-Aventis	4.4
Philips	4.3
Unilever	3.9
Deutsche Post	3.4
BASF	3.3
Neopost	3.3

* In top 10 holdings a year ago

Risk return (standard deviation) over five years



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Symbols and definitions

Long-only fund ratings

AAA The fund demonstrates the highest standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

AA The fund demonstrates very high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

A The fund demonstrates high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

Fund-of-hedge-funds ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Absolute return fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Specialist fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

All fund ratings

Not Rated (NR) Funds designated as Not Rated currently do not meet the requisite performance standards and/or the minimum qualitative criteria to achieve a fund rating.

Under Review (UR) Ratings are placed Under Review when significant management changes occur at the fund manager or fund management team level and Standard & Poor's Fund Services has not had the opportunity yet to evaluate their impact on the qualitative appraisal.

(New) Signifies where a major event has occurred for which there is no fund-specific track record available. This includes: funds recently launched, the implementation of a new investment process or mandate and may include structural changes within a fund team.

Tenure Review (TR) The fund manager/team involved in the management of the fund does not currently have the minimum 12 months relevant investment management experience required to be eligible to be considered for a rating.

Long-term fund management rating The fund has been rated in the A/AA/AAA fund rating band for five consecutive years or more, and continues to hold a rating.

Bond fund volatility ratings

The bond fund volatility rating is our current opinion of a fund's sensitivity to changing market conditions. Volatility ratings evaluate the fund's sensitivity to interest rate movement, credit risk, investment diversification or concentration, liquidity, leverage and other factors. For V1-V4 categories, risk is considered relative to a portfolio composed of government securities and denominated in the base currency of the fund.

V1 Bond funds that possess low sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within one to three years, and denominated in the base currency of the fund. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising the highest quality fixed income instruments with an average maturity of 12 months or less. Within this category, certain funds are designated with a plus sign (+), indicating extremely low sensitivity to changing market conditions.

V2 Bond funds that possess low to moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within three to seven years, and denominated in the base currency of the fund.

V3 Bond funds that possess moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within seven to 10 years, and denominated in the base currency of the fund.

V4 Bond funds that possess moderate to high sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing beyond 10 years and denominated in the base currency of the fund.

V5 Bond funds that possess high sensitivity to changing market conditions. These funds may be exposed to a variety of significant risks including high concentration risks, high leverage, and investments in complex structured and/or less liquid securities.

V6 Bond funds that possess the highest sensitivity to changing market conditions. These funds include those with highly speculative investment strategies with multiple forms of significant risks, with little or no diversification benefits.

Absolute return fund N ratings

The N rating is Standard & Poor's indication of a fund's potential capital stability in normal markets. It is a qualitative rating but is based on annualised weekly downside deviation. N1 is the most stable and N9 the least.