



March 2012

SEB DELUXE - MULTI ASSET BALANCE

Sub-fund of Luxembourg-domiciled Sicav - Part 1

Fund owner: SEB Asset Management

Fund manager/adviser: SEB Investment GmbH

Named portfolio manager/adviser(s):

Jens Kummer (since September 2008),
Damian Krzizok (since September 2008),
Andreas Bichler (since September 2008)
Peer group: asset allocation global flexible
in EUR

Location: Frankfurt

Launch date: January 2001

Fund size (January 2012): €36.5m

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

Investment style

	Value	Blend	Growth
Large-cap			
Mid-cap			
Small-cap			

Performance statistics

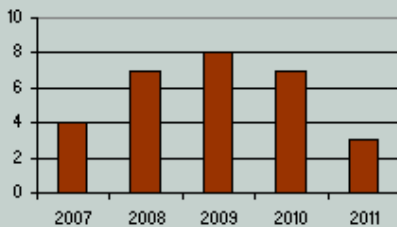
	Three years
Fund	13.8%
Standard & Poor's peer median	10.7%
Fund rank	519/1250

Note: returns are cumulative

Risk characteristics

	Three years
Maximum monthly drawdown (%)	-4.2
Volatility	7.5

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.

Performance Data Source - © 2011 Lipper inc. All rights reserved. All statistical data on this report has been run to 30/12/2011 on NAV to NAV basis, with gross income reinvested, in EUR.

Standard & Poor's opinion (February 2012)

The fund is managed off a purely quantitative investment process. It was developed several years ago by Jens Kummer and Damian Krzizok, with Andreas Bichler contributing from the time he joined in 2008. The fund aims to participate fully in rising markets over the long term while limiting the downside in the shorter term. To achieve this, it has the flexibility to be anywhere from zero to 100% invested in equities. The same applies to cash and government bonds. The portfolio also includes a range of other asset classes.

The quant process is re-run weekly, and only assets with positive momentum are included. This can generate high turnover - typically around 500%. It works well over time, particularly in strongly trending markets; however, it can make losses in volatile, ranging markets such as in 2011 when the return after fees was -12.4%. This is more than the 10% loss limit of the model, but that is ex ante, and the actual gross loss was below 10%. However, this also highlights the high fee structure of this fund, with a 3.4% TER (last year it was 4.1% when a performance fee was applied). Fees across multi-asset funds are generally high, but this is one of the highest we have come across, and we are surprised by it (given the extensive use of low-cost passive funds in the portfolio), and feel that it is the product's major drawback.

From initiation of the investment process in September 2008, the fund has outperformed the S&P global flexible EUR peer group comfortably. Given this, and oversight from the three managers who developed the process, the fund remains S&P A rated.

Fund manager & team

The team of three is led by Jens Kummer. They manage a range of quantitative and qualitative fund-of-funds products amounting to around €1bn. Kummer and Damian Krzizok started working together at SEB in 2001, while Andreas Bichler joined in 2008.

Jens Kummer - business (Braunschweig University), CFA, has over 10 years' experience, having joined SEB Invest in 2000 as a fund analyst, with prior experience at KPMG, DWS and Julius Baer. He has led the multi-asset team since December 2001.

Damian Krzizok - business (Giessen University), CIIA/CEFA, began his investment career in December 2001, when he joined SEB Invest's fund-of-funds team.

Andreas Bichler - business (University of Mannheim), CEFA, began his career in 1998 at Dresdner, before moving to ING then BHF Trust in fund-of-funds roles. He joined the team at SEB in 2008.

Management style

This fund aims to provide positive returns over rolling 12- to 18-month periods, while limiting losses to 10%.

The quantitative approach assesses expected returns for over 100 sub-asset classes. Implicit market expectations derived from a proprietary residual income model are used for equities and neutral return expectations for other asset classes. A momentum indicator highlights and excludes assets/markets with weak, short-term momentum.

Short-term covariance is calculated for each sub-asset class and this, together with the expected returns and downside deviation, are fed into a Telser optimiser which seeks to maximise returns while minimising the probability of losses in excess of 10% return over a 12-month period (with a 90% confidence level).

Equities, government bonds and cash can each be weighted from zero to 100%. Fixed income credit can be up to 40%, commodities up to 10% and other alternatives up to 20%.

The model is run from scratch every week so turnover can be high, with ETFs and passive funds used wherever possible.

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STANDARD & POOR'S



Portfolio & performance analysis (January 2012)

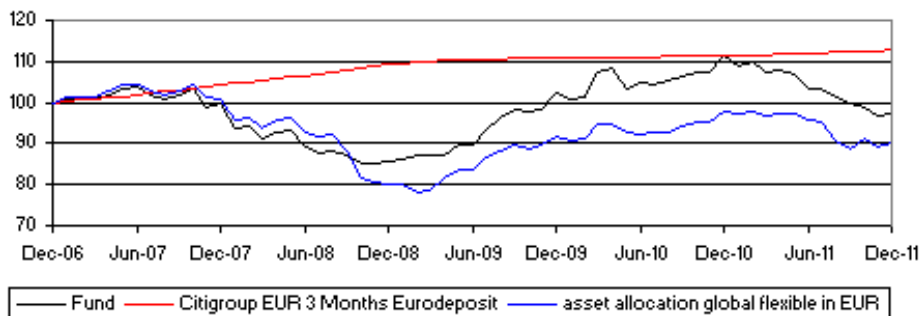
At launch in September 2008, the investment model favoured the lowest-risk asset categories, equity exposure was zero and money market/sovereign bonds made up over 90% of the portfolio. A 10% commodities position was also established towards the end of the year (and has been maintained since then). When markets turned in April/May 2009, the model was quick to reallocate to equities, initially emerging markets and then developed markets. It also switched some of the government bond allocation into corporates.

Equities peaked at 70% in early 2010 before the model cut back exposure to around 50% when the euro sovereign debt crisis struck (corporates and commodities making the difference). This was gradually raised again during the year, reaching 64% at the time of review, the majority of which was invested in Europe ex UK (the US and the UK accounted for just 6%). Asia ex Japan accounted for 6%, while GEM equities stood at 15%. Commodities remained at 10% (accessed entirely through the Lyxor ETF Commodities, the largest holding).

By the middle of 2011, the model had removed emerging markets equities exposure and was out of developed markets by August. It re-entered developed equities modestly in October and was back up to 18% by the end of the year, with 2% reinstated in emerging markets. Overall, the portfolio was defensively positioned at the beginning of 2012 with cash at 62% and government bonds at 10%.

Ranging and volatile market conditions have seen whipsaw losses accumulate during 2011, with the fund down 12.4% after fees. Last year was difficult to navigate for flexible asset allocation funds. However, the fund generally fared worse than peers, and slipped into the bottom quartile of the peer group. However, it remained above median over the past three years cumulatively and since inception of the process at the beginning of September 2008.

Cumulative performance



Calendar-year performance

	2007		2008		2009		2010		Year to 30/12/2011	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	-0.4	392/574	-14.0	284/855	19.3	332/1250	8.8	481/1497	-12.4	1300/170
Median	1.2		-20.6		13.0		5.9		-7.2	

Fund benchmark: 1-Month Euribor

Share class screened: LU0122754046 (C EUR)

Portfolio characteristics (January 2012)

No. of holdings	19
Turnover ratio (%)	500

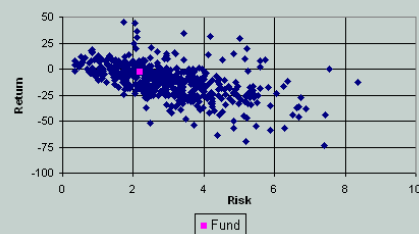
Asset allocation breakdown

	%
Equity	18.40
North America	3.10
United Kingdom	3.10
Europe (ex UK)	7.00
Japan	0.00
Pacific (ex Japan)	2.00
Global emerging markets	2.00
Others	1.20
Fixed interest	10.10
Govts/supranational	10.10
Corporate	0.00
ABS/MBS	0.00
Convertibles	0.00
Commodities	9.70
Property	0.00
Alternatives/others	0.00
Cash	61.80

Currency breakdown

	%
EUR	68.9
Other	15.2
USD	12.8
GBP	3.1
CHF	0.0
JPY	0.0

Risk return (standard deviation) over five years



STANDARD & POOR'S

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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

Absolute return fund ratings

Specialist 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.

Ucits III flexible beta fund ratings

AAA	The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.
AA	The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.
A	The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

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.