



Annual report
including audited
financial statements
as at 31st December 2019

Catella SICAV

Investment Company (SICAV) Luxembourg

Notice

The sole legally binding basis for the purchase of Shares of the Fund described in this report is the latest valid sales prospectus with its terms of contract.

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Organisation

Registered Office

H2O building
33, rue de Gasperich
L-5826 Hesperange

Board of Directors of the Fund

Chairman

Mikael WICKBOM
Senior Sales Manager
Catella Fondförvaltning AB, Sweden

Members

Lena ANDERSSON
Head of Administration
Catella Fondförvaltning AB, Sweden

Olivier SCHOLTES
Head, Oversight Investment Management & Distribution
FundRock Management Company S.A., Luxembourg

Management Company

FundRock Management Company S.A.
H2O building
33, rue de Gasperich
L-5826 Hesperange

Board of Directors of the Management Company

Chairman

Michel Marcel VAREIKA
Independent Non-Executive Director
Luxembourg

Members

Romain DENIS
Executive Director - Co-Managing Director
FundRock Management Company S.A., Luxembourg

Eric MAY
Non-Executive Director
Founding Partner
BlackFin Capital Partners, Paris

Tracey MC DERMOTT
Independent Non-Executive Director, Luxembourg

Grégory NICOLAS
Executive Director - Co-Managing Director
FundRock Management Company S.A., Luxembourg

Xavier PARAIN
Executive Director - Chief Executive Officer
FundRock Management Company S.A., Luxembourg
(since 1st April 2019)

Serge RAGOZIN
Executive Director - Deputy Chief Executive Officer
FundRock Management Company S.A., Luxembourg

Organisation (continued)

Ross THOMSON
Executive Director - Managing Director
FundRock Management Company S.A., Luxembourg
(until 22nd July 2019)

Conducting Officers
Romain DENIS
Executive Director - Co-Managing Director

Grégory NICOLAS
Executive Director - Co-Managing Director

Depository
Skandinaviska Enskilda Banken S.A.
4, rue Peternelchen
L-2370 Howald

Central Administration Agent
FundRock Management Company S.A.
H2O building
33, rue de Gasperich
L-5826 Hesperange

**Sub-Administrator including
Registrar and Transfer Agent**
European Fund Administration S.A.
2, rue d'Alsace
L-1122 Luxembourg

Investment Manager
Catella Fondförvaltning AB
Birger Jarlsgatan 6
SE -103 90 Stockholm

Auditor
PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator
L-2182 Luxembourg

Placement and Distribution Agent
Catella Fondförvaltning AB
Birger Jarlsgatan 6
SE -103 90 Stockholm

General information

Catella SICAV (the "Fund") was incorporated as an open-ended investment company ("*Société d'Investissement à Capital Variable*") with multiple compartments on 13th July 2009 for an unlimited period. The Fund is registered under Part I of the amended Law of 17th December 2010 relating to Undertakings for Collective Investment (the "2010 Law").

The Articles were published in the "*Mémorial C, Recueil des Sociétés et Associations*" ("*Mémorial*") on 30th July 2009. The last amendment of the Articles took place on 6th February 2019 and was published on 19th February 2019 in the "*Mémorial*". Publications made after 1st June 2016 are available on this new platform accessible through the website of the RCS.

At the date of the financial statements, the following Sub-Funds are open:

- Catella SICAV - Catella Nordic Long/Short Equity in SEK
- Catella SICAV - Catella Nordic Corporate Bond Flex in SEK.

Class "R" Shares are available to all investors and Class "I" Shares are reserved to Institutional Investors.

At the date of the financial statements, the following Share Classes are issued:

- RC (SEK) Shares, in all Sub-Funds,
- RC (H-EUR) until 17 September 2019 in the Sub-Fund Catella SICAV - Catella Nordic Corporate Bond Flex,
- IC (H-EUR) and RC (H-EUR) Shares in the Sub-Fund Catella SICAV - Catella Nordic Long/Short Equity,
- IC1 (SEK) Shares, RD (SEK) Shares and OC (SEK) in the Sub-Fund Catella SICAV - Catella Nordic Corporate Bond Flex.

The Net Asset Value of each class of the Sub-Funds is normally calculated as per each Business Day (the "Valuation Day"). A Business Day is a day on which banks are normally open for business in Luxembourg and Sweden.

The financial year of the Fund starts on 1st January and ends on 31st December in each year.

The audited annual reports and the unaudited semi-annual reports comprise combined financial statements of the Fund expressed in EUR, being the reference currency of the Fund, and financial information on each Sub-Fund expressed in the reference currency of each Sub-Fund.

Copies of the audited annual financial statements and unaudited semi-annual reports, as well as the current prospectus, the Key Investor Information Document (the "KIID") and copies of the Articles of Incorporation of the Fund may be obtained free of charge at the registered office of the Fund.

Report from the Investment Manager

Catella SICAV - Catella Nordic Long/Short Equity

Market review

The turnaround in expected monetary policy in the US late 2018 was the main driver behind the strong performance for equity markets in 2019. Expectations of stronger future growth and future earning led to multiple expansion. Acronyms like TINA and FOMO was widely debated as explanations behind the strong markets. TINA, there is no alternative, implies that the risk free rate is too low to be considered as an alternative investment and creates a strong tail wind for risky assets as equities and credits. In the later part of the year, the strong performance in equity markets led to a benign and self-fulfilling spiral and FOMO, fear of missing out, became the new trendy acronym. In December, the trade war between US and China was deescalated and the markets had a strong finish of the year.

One observation for 2020 was that the performance dispersion between factors and sectors was large. According to many observers, the value factor ended the year at the cheapest levels compared to the overall market, since the dot com bubble. Both the quality and momentum factors ended the year at extremely expensive levels versus the overall market. One often cited reason behind these extreme dispersions was the large influence of passive versus active investments.

Catella Nordic Long/Short Equity performance

Catella Nordic Long/Short Equity – Class RC (SEK) was down 14.31 percent.

As a consequence of the disappointing performance of the Fund during 2018 a new team of portfolio managers took over the responsibility of the Fund during spring 2019.

The ambition of the new team was to run the portfolio in a more market neutral fashion and the main driver of risk and performance should be stock picking. One common theme behind the Funds position during the year have been valuation. The long book have had the common characteristic of large deviation from intrinsic value and the short book has been populated mainly with stocks that the team identified as expensive.

The environment where the value factor was the worst performer and momentum the best performer, was the main reason behind the substandard performance during the year. We have also made some mistakes in single stock picks.

The main negative contributors to the performance was the short positions in Getinge, Evolution Gaming, DSV, Nibe, Axfood, ICA, Elisa Kone and Assa Abloy. Positive contributors to the performance was a short position in Norwegian Air and long positions in Skanska, Essity and Volvo. The hit ratio of winners versus losers was lower than acceptable and overall the Fund had a long book that underperformed the market and a short book that outperformed the market.

Overall comments on sustainability work

During the year, we have added production and distribution of fossil fuels to the exclusion list. Furthermore, we have increased our effort to identify winner and losers on the strong ESG trend. We believe that the trend towards more ESG inclusion is strong and will be a strong driver behind performance in the coming years and decades. The Fund uses an external advisor on sustainability, Sustainalytics, to monitor corporate governance in areas such as compliance with international conventions and the UN's global sustainability goals. The Fund managers establish ESG-dialogues with companies based on data from Sustainalytics. If the deficiencies are serious, or if it is not possible to establish a dialogue with the company, the holding is divested.

All dialogues related to sustainability are documented on an ongoing basis. The Fund managers hold quarterly meetings with a focus on sustainability issues and developments in ongoing business dialogues. It is the responsibility of the Fund manager to engage in dialogue with each company on both financial and sustainability issues.

Report from the Investment Manager (continued)

The Fund does not invest in companies that produce fossil fuels, manufacture of weapons, tobacco, alcohol, pornography and commercial gambling companies. However, the Fund may short securities issued by companies in these sectors.

Market outlook

Even if we tend to agree on the market expectations of stronger momentum in the global economy, based on the monetary stimulus provided in 2019, our view is that valuation dispersion has reached unsustainable levels. One factor behind the valuation dispersion is, in our view, the unsustainable low bond yields. The Fund has long positions in banks and short positions in real estate. Both these sectors are sensitive to interest rates, and even if yields are stable in 2020 we think that the valuation dispersion has a high probability to shrink. The short positions in industrial versus long positions in materials are of course sensitive to growth expectations. Our view is that even in an environment with lower growth expectations the probability for outperformance of the materials sector versus the industrials sector is high or at least we find this as an asymmetrical risk.

Catella SICAV - Catella Nordic Corporate Bond Flex

Challenging environment for corporate bonds

Catella Nordic Corporate Bond Flex – Class RC (SEK) increased by 3.43 percent after fees

The fixed income market had a generally strong performance during 2019. The markets started on a strong note driven by the strong turnaround of expected and realized monetary policy by the Federal Reserve. Federal Funds target rate was cut three quarters of a percentage point during the third quarter. The market took comfort in the policy turnaround and strong performance in risky assets followed. Bond yields came down during the first half of the year, reaching a low point in August and rose from August to year-end in tandem with stronger equity and credit markets.

The main driver behind the positive performance of the Fund was tighter credit spreads. The Fund also took advantage of the declining bond yields, both in the cash equivalent bucket and the overlay bucket where we added interest rate risk during autumn of 2018.

In August, in the increasingly positive sentiment to global growth, the Fund decreased the interest rate risk.

The portfolio is characterized by a large number of bonds issued by companies operating in different types of industries, thereby enabling a high degree of risk diversification. Furthermore, the portfolio has a high proportion of cash and cash-equivalent investments with low risk.

The main positive contributors to the return during the year were the holdings in Unilabs, Transcom, Securelink and Garfunkel. The Fund maintains a broad sector diversification that differs from the Nordic market portfolio. The holdings in Lebara and Tresu, however, reduced the year's return. The hedging and positioning in interest rate risk made during the year contributed to the return.

The portfolio's holdings of bonds issued in foreign currency are hedged back to SEK, which is why the currency impact is small.

Report from the Investment Manager (continued)

Market outlook

Although credit spreads are at their tightest levels ever, we are constructive on the outlook for credit markets. Our expectation is that the high coupons in high yield more than offsetting our expectations for wider credit spreads in 2020. As always, the probability for recession is the main risk for credit markets. Our thinking is that, as long as the trust in central banks is high and inflation is low the odds for recession is much lower than historically. Historical parallels give at hand that presidential election years in the US seldom have growth hiccups, which also contributed to our expectations for lower risk than an average year for the financial markets.

General Outlook

Since the year end we have seen the development of the coronavirus covid-19 outbreak initially in China and now reaching most continents. At present it is not possible to assess the detailed impact of the emerging risk, on the companies in our portfolio but there is growing concern about the impact on the world economy. There has been a significant correction in the financial markets in the last few weeks. The Board and the Manager continue to watch the efforts of governments to contain the spread of the virus and monitor the economic impact, if any, on the investments in our portfolio.

Luxembourg, 18th March 2020

The Investment Manager

Note: The information in this report represents historical data and is not an indication of future results.



Audit report

To the Shareholders of
Catella SICAV

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Catella SICAV (the “Fund”) and of each of its sub-funds as at 31 December 2019, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund’s financial statements comprise:

- the combined statement of net assets for the Fund and the statement of net assets for each of the sub-funds as at 31 December 2019;
- the combined statement of operations and changes in net assets for the Fund and the statement of operations and changes in net assets for each of the sub-funds for the year then ended;
- the statement of investments and other net assets as at 31 December 2019; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

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

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;



- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 24 March 2020

Philippe Sergiel

Combined statement of net assets (in EUR)

as at 31st December 2019

	<u>Assets</u>	
Securities portfolio at market value		147,498,060.98
Option contracts at market value		41,155.07
Cash at banks		13,843,569.90
Other liquid assets		2,357,619.15
Receivable cash collateral paid		854,034.49
Receivable on issues of shares		6,923.09
Income receivable on portfolio		850,870.81
Interest receivable on contracts for difference (CFD)		1,089.61
Unrealised gain on futures contracts		351,102.65
Unrealised gain on contracts for difference (CFD)		211,792.73
Unrealised gain on forward foreign exchange contracts		367,759.23
Results receivable on contracts for difference (CFD)		30,649.82
Other receivables		24,570.00
Total assets		<u>166,439,197.53</u>
	<u>Liabilities</u>	
Bank overdrafts		523.36
Other liquid liabilities		1,178,196.46
Redeemable cash collateral received		308,781.97
Payable on purchases of securities		269.31
Payable on redemptions of shares		18,150.50
Expenses payable		273,880.99
Interest payable on contracts for difference (CFD)		11,215.99
Dividends payable on contracts for difference (CFD)		786,078.69
Other liabilities		241,081.41
Total liabilities		<u>2,818,178.68</u>
Net assets at the end of the year		<u>163,621,018.85</u>

The accompanying notes are an integral part of these financial statements.

Combined statement of operations and other changes in net assets (in EUR)

from 1st January 2019 to 31st December 2019

	<u>Income</u>	
Dividends, net	1,425,277.49	
Interest on bonds and other debt securities, net	5,946,702.42	
Interest on bank accounts	18,881.94	
Other income	38,411.88	
Total income	<u>7,429,273.73</u>	
	<u>Expenses</u>	
Management fees	1,317,922.44	
Performance fees	1,188,095.21	
Banking charges and other fees	1,117.29	
Transaction fees	194,781.43	
Central administration costs	198,078.06	
Professional fees	39,621.48	
Other administration costs	140,733.54	
Subscription duty ("taxe d'abonnement")	90,495.24	
Bank interest paid	129,478.22	
Other expenses	72,466.19	
Total expenses	<u>3,372,789.10</u>	
Net investment income	4,056,484.63	
	<u>Net realised gain/(loss)</u>	
- on securities portfolio	-6,340,132.85	
- on option contracts	971,558.80	
- on futures contracts	-449,339.47	
- on contracts for difference (CFD)	-11,464,017.84	
- on forward foreign exchange contracts	-1,901,039.28	
- on foreign exchange	306,802.84	
Realised result	<u>-14,819,683.17</u>	
	<u>Net variation of the unrealised gain/(loss)</u>	
- on securities portfolio	17,608,903.56	
- on option contracts	-4,002,723.07	
- on futures contracts	288,135.77	
- on contracts for difference (CFD)	614,397.48	
- on forward foreign exchange contracts	-587,075.29	
Result of operations	<u>-898,044.72</u>	
Dividends paid	-99,472.24	
Subscriptions	246,705,912.19	
Redemptions	-356,465,934.32	
Total changes in net assets	<u>-110,757,539.09</u>	
Total net assets at the beginning of the year	284,315,881.90	
Revaluation difference	-9,937,323.96	
Total net assets at the end of the year	<u>163,621,018.85</u>	

The accompanying notes are an integral part of these financial statements.

Statement of net assets (in SEK)

as at 31st December 2019

Assets	
Securities portfolio at market value	221,885,278.60
Option contracts at market value	432,500.00
Cash at banks	35,393,029.96
Other liquid assets	627,071.82
Receivable cash collateral paid	8,975,076.91
Receivable on issues of shares	40,144.10
Income receivable on portfolio	118,472.23
Interest receivable on contracts for difference (CFD)	11,450.71
Unrealised gain on contracts for difference (CFD)	2,225,736.88
Unrealised gain on forward foreign exchange contracts	84,483.67
Results receivable on contracts for difference (CFD)	322,100.00
Other receivables	258,206.95
Total assets	270,373,551.83
Liabilities	
Bank overdrafts	5,500.06
Other liquid liabilities	3,273.78
Payable on purchases of securities	2,830.17
Payable on redemptions of shares	150,966.56
Expenses payable	815,706.14
Interest payable on contracts for difference (CFD)	117,869.22
Dividends payable on contracts for difference (CFD)	8,260,927.11
Total liabilities	9,357,073.04
Net assets at the end of the year	261,016,478.79

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in SEK)
RC (SEK)	2,144,116.207	SEK	113.76	243,915,059.12
RC (H-EUR)	533.892	EUR	9.61	53,927.83
IC (H-EUR)	212,665.406	EUR	7.63	17,047,491.84
				261,016,478.79

The accompanying notes are an integral part of these financial statements.

Statement of operations and other changes in net assets (in SEK)

from 1st January 2019 to 31st December 2019

	<u>Income</u>	
Dividends, net	14,978,288.61	
Interest on bonds and other debt securities, net	3,508,278.80	
Interest on bank accounts	68.85	
Other income	304,914.71	
Total income	<u>18,791,550.97</u>	
	<u>Expenses</u>	
Management fees	5,338,192.91	
Banking charges and other fees	6,856.36	
Transaction fees	1,666,565.77	
Central administration costs	739,612.39	
Professional fees	98,689.77	
Other administration costs	1,219,696.03	
Subscription duty ("taxe d'abonnement")	206,454.48	
Bank interest paid	368,433.26	
Other expenses	294,516.67	
Total expenses	<u>9,939,017.64</u>	
Net investment income	8,852,533.33	
	<u>Net realised gain/(loss)</u>	
- on securities portfolio	-67,705,190.90	
- on option contracts	10,210,143.75	
- on futures contracts	-5,085,400.00	
- on contracts for difference (CFD)	-120,475,745.26	
- on forward foreign exchange contracts	2,158,431.64	
- on foreign exchange	-1,595,710.60	
Realised result	<u>-173,640,938.04</u>	
	<u>Net variation of the unrealised gain/(loss)</u>	
- on securities portfolio	145,171,527.06	
- on option contracts	-42,064,750.00	
- on futures contracts	-1,081,250.00	
- on contracts for difference (CFD)	6,456,723.55	
- on forward foreign exchange contracts	1,253,988.53	
Result of operations	<u>-63,904,698.90</u>	
Dividends paid	-	
Subscriptions	137,983,852.33	
Redemptions	-868,133,072.06	
Total changes in net assets	<u>-794,053,918.63</u>	
Total net assets at the beginning of the year	1,055,070,397.42	
Total net assets at the end of the year	<u>261,016,478.79</u>	

The accompanying notes are an integral part of these financial statements.

Statistical information (in SEK)

as at 31st December 2019

Total net assets	Currency	31.12.2017	31.12.2018	31.12.2019
	SEK	1,084,435,695.73	1,055,070,397.42	261,016,478.79

Net asset value per share	Currency	31.12.2017	31.12.2018	31.12.2019
RC (SEK)	SEK	154.00	132.76	113.76
RC (H-EUR)	EUR	13.07	11.26	9.61
IC (H-EUR)	EUR	10.35	8.92	7.63

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
RC (SEK)	7,229,713.742	469,913.392	-5,555,510.927	2,144,116.207
RC (H-EUR)	595,762.937	636,883.482	-1,232,112.527	533.892
IC (H-EUR)	300,665.406	-	-88,000.000	212,665.406

Statement of investments and other net assets (in SEK)

as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
DKK	20,000	Novo Nordisk AS B	8,262,230.83	10,874,785.37	4.17
EUR	30,000	Nokian Tyres Plc	8,541,890.37	8,080,395.74	3.10
EUR	27,000	Sampo Plc A	11,275,388.64	11,040,475.17	4.23
EUR	80,000	Stora Enso Oyj R	9,845,119.92	10,899,969.39	4.18
			29,662,398.93	30,020,840.30	11.51
NOK	318,433	Norsk Hydro ASA	11,974,463.96	11,068,361.42	4.24
NOK	144,000	Storebrand ASA	10,736,713.84	10,584,066.51	4.05
			22,711,177.80	21,652,427.93	8.29
SEK	36,000	Essity AB B Reg	8,387,836.08	10,864,800.00	4.16
SEK	18,000	Hexagon AB B	8,138,108.17	9,450,000.00	3.62
SEK	23,000	Millicom Intl Cellular SA SDR	13,228,440.18	10,317,800.00	3.95
SEK	72,000	NCC AB B	10,173,105.94	11,030,400.00	4.23
SEK	130,000	Nordea Bank Abp Reg	8,721,293.75	9,833,200.00	3.77
SEK	65,000	Securitas AB B	9,540,489.41	10,494,250.00	4.02
SEK	50,000	Skanska AB B	7,995,276.32	10,585,000.00	4.05
SEK	340,000	SSAB AB B	10,460,490.72	10,376,800.00	3.97
SEK	81,000	Swedbank AB A	13,927,114.39	11,295,450.00	4.33
SEK	70,000	Volvo AB B	9,010,671.82	10,983,000.00	4.21
			99,582,826.78	105,230,700.00	40.31
		Total shares	160,218,634.34	167,778,753.60	64.28
Bonds					
SEK	13,000,000	Kommuninvest I Sverige AB 1% Ser 2109 15/15.09.21	13,322,489.14	13,203,125.00	5.06
SEK	40,000,000	Kommuninvest I Sverige AB 2.5% Ser 2012 Sen 14/01.12.20	41,966,727.27	40,903,400.00	15.67
		Total bonds	55,289,216.41	54,106,525.00	20.73
		Total investments in securities	215,507,850.75	221,885,278.60	85.01
<u>Option contracts</u>					
<u>Listed financial instruments</u>					
Options on transferable securities					
SEK	2,500	Nordea Bank Abp Reg CALL 01/20 OMX 75	310,000.00	432,500.00	0.17
		Total option contracts	310,000.00	432,500.00	0.17
		Cash and cash collateral at banks		44,368,106.87	16.99
		Bank overdrafts		-5,500.06	0.00
		Other net assets/(liabilities)		-5,663,906.62	-2.17
		Total		261,016,478.79	100.00

The accompanying notes are an integral part of these financial statements.

Industrial and geographical classification of investments

as at 31st December 2019

Industrial classification

(in percentage of net assets)

Countries and governments	20.73 %
Industrials	16.51 %
Financials	16.38 %
Raw materials	12.39 %
Healthcare	4.17 %
Non-cyclical consumer goods	4.16 %
Telecommunications services	3.95 %
Technologies	3.62 %
Cyclical consumer goods	3.10 %
Total	<u>85.01 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Sweden	53.32 %
Finland	15.28 %
Norway	8.29 %
Denmark	4.17 %
Luxembourg	3.95 %
Total	<u>85.01 %</u>

Statement of net assets (in SEK)

as at 31st December 2019

<u>Assets</u>	
Securities portfolio at market value	1,328,176,755.95
Cash at banks	110,089,507.13
Other liquid assets	24,149,226.32
Receivable on issues of shares	32,610.94
Income receivable on portfolio	8,823,357.48
Unrealised gain on futures contracts	3,689,749.40
Unrealised gain on forward foreign exchange contracts	3,780,310.35
Total assets	1,478,741,517.57
<u>Liabilities</u>	
Other liquid liabilities	12,378,432.01
Redeemable cash collateral received	3,245,000.00
Payable on redemptions of shares	39,777.67
Expenses payable	2,062,518.36
Other liabilities	2,533,532.60
Total liabilities	20,259,260.64
Net assets at the end of the year	1,458,482,256.93

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in SEK)
RC (SEK)	9,902,853.420	SEK	130.42	1,291,495,774.81
RD (SEK)	498,834.537	SEK	95.55	47,662,539.93
IC 1 (SEK)	299,780.774	SEK	132.23	39,639,705.46
OC (SEK)	766,793.296	SEK	103.92	79,684,236.73
				1,458,482,256.93

The accompanying notes are an integral part of these financial statements.

Statement of operations and other changes in net assets (in SEK)

from 1st January 2019 to 31st December 2019

	<u>Income</u>	
Interest on bonds and other debt securities, net	58,985,814.90	
Interest on bank accounts	198,362.08	
Other income	98,757.04	
Total income	59,282,934.02	
	<u>Expenses</u>	
Management fees	8,511,897.83	
Performance fees	12,485,732.17	
Banking charges and other fees	4,885.23	
Transaction fees	380,398.78	
Central administration costs	1,341,996.47	
Professional fees	317,693.62	
Other administration costs	259,277.43	
Subscription duty ("taxe d'abonnement")	744,562.99	
Bank interest paid	992,257.71	
Other expenses	467,032.88	
Total expenses	25,505,735.11	
Net investment income	33,777,198.91	
	<u>Net realised gain/(loss)</u>	
- on securities portfolio	1,076,523.64	
- on futures contracts	363,276.63	
- on forward foreign exchange contracts	-22,136,516.69	
- on foreign exchange	4,819,911.87	
Realised result	17,900,394.36	
	<u>Net variation of the unrealised gain/(loss)</u>	
- on securities portfolio	39,881,026.83	
- on futures contracts	4,109,278.40	
- on forward foreign exchange contracts	-7,423,582.24	
Result of operations	54,467,117.35	
Dividends paid	-1,045,357.13	
Subscriptions	2,454,656,794.21	
Redemptions	-2,877,979,302.04	
Total changes in net assets	-369,900,747.61	
Total net assets at the beginning of the year	1,828,383,004.54	
Total net assets at the end of the year	1,458,482,256.93	

The accompanying notes are an integral part of these financial statements.

Statistical information (in SEK)

as at 31st December 2019

Total net assets	Currency	31.12.2017	31.12.2018	31.12.2019	
	SEK	2,574,683,573.71	1,828,383,004.54	1,458,482,256.93	

Net asset value per share	Currency	31.12.2017	31.12.2018	31.12.2019	
RC (SEK)	SEK	127.42	126.10	130.42	
RC (H-EUR)	EUR	-	99.07	101.29	* 17/09/2019
RD (SEK)	SEK	99.22	94.22	95.55	
IC 1 (SEK)	SEK	128.82	127.71	132.23	
OC (SEK)	SEK	-	99.70	103.92	

(*) Net asset value used for final redemption

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
RC (SEK)	12,128,962.519	18,042,864.493	-20,268,973.592	9,902,853.420
RC (H-EUR)	2,179.346	-	-2,179.346	-
RD (SEK)	431,475.140	166,069.962	-98,710.565	498,834.537
IC 1 (SEK)	1,588,371.755	586,786.089	-1,875,377.070	299,780.774
OC (SEK)	533,889.781	395,291.506	-162,387.991	766,793.296

Dividends paid	Currency	Dividend per share	Ex-dividend date
RD (SEK)	SEK	1.88	29.04.2019

Statement of investments and other net assets (in SEK)

as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Bonds					
EUR	1,000,000	Assemblin Financing AB FRN Sen Reg S 19/15.05.25	10,555,300.01	10,627,259.97	0.73
EUR	1,000,000	Capnor Weasel Bidco Oy FRN 19/12.06.25	10,534,103.50	10,509,033.35	0.72
EUR	1,000,000	DDM Debt AB FRN Sen 144A 19/08.04.22	10,401,279.07	10,719,214.02	0.73
EUR	500,000	Frontmatec Group ApS FRN 19/10.10.24	5,404,784.77	5,353,038.86	0.37
EUR	3,000,000	Garfunkelux Holdco 3 SA 7.5% Reg S Sen 15/01.08.22	30,533,243.78	31,605,760.16	2.17
EUR	1,000,000	Georg Jensen Damask A/S FRN Sen 18/15.05.23	10,532,101.82	10,403,943.02	0.71
EUR	3,000,000	Hoist Finance AB VAR 18/07.06.Perpetual	30,723,065.12	31,527,100.05	2.16
EUR	2,000,000	Idavang A/S FRN Sen 17/13.12.21	19,666,953.65	21,123,157.03	1.45
EUR	1,000,000	Qred AB FRN 19/17.06.22	10,615,899.08	10,587,851.10	0.73
EUR	2,650,000	Quant AB FRN Sen 18/15.02.23	24,642,754.61	19,494,256.87	1.34
EUR	2,000,000	SGL TransGroup Intl AS FRN Sen 19/04.11.24	21,480,306.63	21,123,157.03	1.45
EUR	2,500,000	Transcom Holding AB 6.5% 18/22.03.23	24,900,712.46	25,309,824.56	1.74
EUR	2,000,000	Tresu Investement Holding A/S FRN Sen 17/29.09.22	19,073,322.75	10,509,033.35	0.72
EUR	1,000,000	Walnut Bidco Plc 6.75% Sen Reg S 19/01.08.24	10,564,752.73	11,256,803.61	0.77
			239,628,579.98	230,149,432.98	15.79
NOK	15,000,000	Hospitality Invest AS FRN Sen 17/31.10.22	15,366,747.20	15,254,913.31	1.05
NOK	10,000,000	Ice Gr Scandinavia Holdings AS FRN Sen 19/10.10.23	10,761,154.28	10,609,219.82	0.73
NOK	17,000,000	Ice Group ASA FRN 17/12.10.21	17,519,381.03	18,329,856.57	1.26
NOK	15,000,000	Jotul Holdings Sàrl FRN 18/31.01.22	14,965,555.70	15,973,731.22	1.10
			58,612,838.21	60,167,720.92	4.14
SEK	10,000,000	AF Poyry AB FRN Reg S 15/12.05.20	10,036,600.00	10,022,350.00	0.69
SEK	8,000,000	Allgon AB FRN DMTN Sen 18/07.06.22	8,000,000.00	8,380,000.00	0.57
SEK	39,500,000	Brado AB FRN Sen 18/07.03.23	39,500,000.00	33,772,500.00	2.32
SEK	15,000,000	Cabonline Group Holding AB FRN DMTN 19/09.12.22	15,000,000.00	15,056,250.00	1.03
SEK	5,000,000	Fastighetsbloag Emilshus FRN 19/09.12.22	5,000,000.00	5,043,750.00	0.35
SEK	25,000,000	Garfunkelux Holdco 3 SA FRN Reg S 18/01.09.23	21,600,000.00	21,625,000.00	1.48
SEK	20,000,000	Genova Property Group AB FRN Sen 19/30.09.23	20,000,000.00	20,125,000.00	1.38
SEK	12,500,000	Golden Heights AB FRN 19/08.03.22	12,512,500.00	12,640,625.00	0.87
SEK	30,000,000	Heimstaden Bostad AB FRN EMTN Sen Reg S 18/07.12.20	30,000,000.00	30,300,150.00	2.08
SEK	11,000,000	Hoist Gr Hg Intressenter AB FRN 17/29.06.21	11,000,000.00	11,192,500.00	0.77
SEK	20,000,000	Intrum AB FRN DMTN Sen 19/22.11.21	20,000,000.00	20,058,700.00	1.38
SEK	20,000,000	Jefast Holding AB FRN Sen 17/27.03.21	19,658,000.00	19,750,000.00	1.35
SEK	75,000,000	Kommuninvest I Sverige AB 0.25% Ser K2206 Sen 16/01.06.22	75,395,250.00	75,213,375.00	5.16
SEK	160,000,000	Kommuninvest I Sverige AB 0.375% EMTN Ser G24 19/27.03.24	160,860,400.00	159,907,200.00	10.96
SEK	35,000,000	Kommuninvest I Sverige AB 0.75% Ser K2302 Sen 17/22.02.23	35,665,161.54	35,589,925.00	2.44
SEK	10,000,000	Kommuninvest I Sverige AB 1% DMTN Ser K2311 Sen 18/13.11.23	10,316,500.00	10,269,750.00	0.70
SEK	90,000,000	Kommuninvest I Sverige AB 1% Ser K2410 Sen 17/02.10.24	92,777,200.00	92,515,500.00	6.34
SEK	50,000,000	Kommuninvest I Sverige AB 1% Ser K2505 Sen 18/12.05.25	51,476,750.00	51,396,000.00	3.52
SEK	20,000,000	Kvalitena AB FRN Sen 19/04.12.22	20,146,250.00	20,200,000.00	1.38
SEK	10,000,000	Logent AB FRN DMTN Sen 19/31.10.24	10,000,000.00	10,074,500.00	0.69
SEK	10,000,000	M2 Asset Management AB FRN Sen 17/06.07.20	10,105,000.00	10,093,750.00	0.69
SEK	4,000,000	Marginalen Bank Bankaktiebolag FRN Sub 19/28.08.29	4,000,000.00	4,016,160.00	0.28
SEK	36,000,000	Nackahusen Holding AB FRN 17/13.08.20	35,982,000.00	32,040,000.00	2.20
SEK	21,500,000	Norlandia Health Care Group AS FRN Sen 16/20.12.21	21,597,358.50	18,060,000.00	1.24
SEK	15,000,000	Nyfosa AB FRN DMTN Sen 19/22.05.22	15,081,550.00	15,269,250.00	1.05
SEK	14,000,000	SBAB Bank AB FRN Jun Sub 19/05.12.Perpetual	14,000,000.00	14,365,470.00	0.98
SEK	16,000,000	Shh Bostad AB FRN 17/07.06.21	15,985,000.00	15,520,000.00	1.06
SEK	20,000,000	Sirius International Group Ltd FRN Sub 17/22.09.47	20,093,333.34	19,975,000.00	1.37
SEK	10,000,000	Slatto Fastpart Spanga AB FRN 19/01.04.23	10,000,000.00	10,050,000.00	0.69
SEK	15,000,000	Sollentuna Stinsen JV AB FRN DMTN Sen 19/07.10.22	15,000,000.00	15,000,000.00	1.03
SEK	5,000,000	Telia Co AB Step-up FRN Sub Reg S 17/04.10.77	5,180,000.00	5,159,050.00	0.35
SEK	25,000,000	Telia Co AB VAR Sub Reg S 17/04.10.77	25,437,500.00	25,834,500.00	1.77
SEK	10,000,000	Vostok New Ventures Ltd 5.75% 19/04.10.22	10,000,000.00	10,225,000.00	0.70
			871,406,353.38	858,741,255.00	58.87
USD	1,000,000	Bayport Management Ltd 10.5% Sub 19/19.12.22	9,401,600.01	9,395,601.88	0.64
USD	1,000,000	Bayport Management Ltd 11.5% Sen Reg S 19/14.06.22	9,581,800.04	9,933,830.62	0.68
			18,983,400.05	19,329,432.50	1.32
		Total bonds	1,188,631,171.62	1,168,387,841.40	80.12

The accompanying notes are an integral part of these financial statements.

Statement of investments and other net assets (in SEK)

(continued)
as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Bonds in default of payment					
EUR	139,306	Vieo BV FRN 17/07.09.20	22,076,560.53	11,715,786.17	0.80
Total bonds in default of payment			22,076,560.53	11,715,786.17	0.80
<u>Transferable securities dealt in on another regulated market</u>					
Bonds					
EUR	3,000,000	Verisure Midholding AB 5.75% Sen Reg S 17/01.12.23	32,462,445.78	32,567,967.26	2.23
Total bonds			32,462,445.78	32,567,967.26	2.23
<u>Other transferable securities</u>					
Bonds					
EUR	132,596	Lebara Group BV 10% Sen 19/17.12.22	1,315,827.54	1,400,423.06	0.10
EUR	1,000,000	Secto Auto Group Oy FRN Sen 19/27.11.22	10,608,127.13	10,482,760.76	0.72
			11,923,954.67	11,883,183.82	0.82
SEK	16,000,000	Ilija Batljan Invest AB FRN Sen 19/27.09.22	16,080,000.00	16,180,000.00	1.11
SEK	7,454,280	Kjell Midco AB VAR TOG PIK Sen 17/11.01.23	6,000,000.00	7,435,644.30	0.51
SEK	10,000,000	United Camping AB FRN Sen 19/05.06.23	10,000,000.00	10,050,000.00	0.69
			32,080,000.00	33,665,644.30	2.31
Total bonds			44,003,954.67	45,548,828.12	3.13
<u>Money market instruments</u>					
Money market instruments					
SEK	10,000,000	Ambea AB 0% CP 19/17.01.20	9,988,258.00	9,988,258.00	0.68
SEK	10,000,000	Arjo AB 0% CP 19/17.02.20	9,982,265.00	9,982,265.00	0.68
SEK	50,000,000	Hennes & Mauritz AB 0% CP 19/16.01.20	49,985,810.00	49,985,810.00	3.43
Total money market instruments			69,956,333.00	69,956,333.00	4.79
Total investments in securities			1,357,130,465.60	1,328,176,755.95	91.07
Cash and cash collateral at banks				110,089,507.13	7.55
Other net assets/(liabilities)				20,215,993.85	1.38
Total				1,458,482,256.93	100.00

The accompanying notes are an integral part of these financial statements.

Industrial and geographical classification of investments

as at 31st December 2019

Industrial classification

(in percentage of net assets)

Financials	31.50 %
Countries and governments	29.12 %
Real estate	12.21 %
Telecommunications services	4.21 %
Cyclical consumer goods	4.14 %
Industrials	4.00 %
Non-cyclical consumer goods	2.22 %
Investment funds	1.74 %
Healthcare	1.36 %
Technologies	0.57 %
Total	<u>91.07 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Sweden	70.84 %
Luxembourg	4.75 %
Denmark	4.70 %
Norway	4.28 %
Bermuda	2.07 %
Finland	1.44 %
Mauritius	1.32 %
The Netherlands	0.90 %
Jersey	0.77 %
Total	<u>91.07 %</u>

Notes to the financial statements

as at 31st December 2019

Note 1 - Significant Accounting and valuation policies

a) Presentation of the financial statements

The financial statements of the Fund are established in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment and with generally accepted accounting principles in Luxembourg.

The financial statements have been prepared on a going concern basis.

b) Valuation

- 1) Securities listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued at the last available price; in the event that there should be several such markets, on the basis of the last available price of the main market for the relevant security. Should the last available price for a given security not truly reflect its fair market value, then that security is valued on the basis of the probable sales price which the Directors deem it is prudent to assume;
- 2) Securities not listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued on the basis of their last available price. Should the last available price for a given security not truly reflect its fair market value, then that security is valued by the Directors on the basis of the probable sales price which the Directors deem it is prudent to assume;
- 3) The liquidating value of futures, forward and options contracts (or any other derivative instruments) not traded on Regulated Markets or stock exchanges means their net liquidating value determined, pursuant to the policies established in good faith by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts (or any other derivative instruments) traded on Regulated Markets or stock exchanges is based upon the last available settlement prices of these contracts on Regulated Markets or stock exchanges on which the particular futures, forward or options contracts (or any other derivative instruments) are traded by the Fund; provided that if a futures, forward or options contract (or any other derivative instruments) could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable;
- 4) Liquid assets and money market instruments are valued at nominal value plus any accrued interest or on an amortised cost basis. Securities valued at amortized cost are disclosed at cost value in the statement of investments, amortized interests are recorded as income receivable or payable on portfolio in the statement of net assets. All other assets, where practice allows, are valued in the same manner. Short-term investments that have a remaining maturity of one year or less are valued (i) at market value, or (ii) where market value is not available or not representative, at amortised cost;
- 5) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received are deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof is determined after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof;
- 6) Shares or units in underlying open-ended investment funds are valued at their last available price.

c) Net realised gain/(loss) on securities portfolio

The net realised gain/(loss) on securities portfolio is determined on the basis of the average cost of securities sold.

Notes to the financial statements (continued)

as at 31st December 2019

d) Cost of securities

The acquisition cost of a security denominated in a currency other than that of the Sub-Fund is converted to the Sub-Fund's currency at the exchange rate prevailing on the date of purchase.

e) Exchange translation

Bank balances, other assets and liabilities and the value of securities held that are denominated in other currencies than the Sub-Fund's currency are converted at the prevailing exchange rate of the closing day. Income and expenses incurred in currencies other than the Sub-Fund's currency are converted at the prevailing exchange rate of the day of each transaction. Exchange gains and losses are disclosed in the statement of operations and other changes in net assets.

At the date of the financial statements, the prevailing exchange rates on the closing day were as follows:

1	SEK	=	0.7110945	DKK	Danish Krona
			0.0951562	EUR	Euro
			0.0806339	GBP	Pound Sterling
			0.9390417	NOK	Norwegian Krona
			0.1068319	USD	US Dollar

f) Combined financial statements

The combined financial statements of the Fund are expressed in EUR and are equal to the sum of the corresponding captions in the financial statements of each Sub-fund.

At the date of the financial statements, the prevailing exchange rate on the closing day was as follows:

1	EUR	=	10.5090333	SEK	Swedish Krona
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g) Investment income

Dividend income is recognised on an ex-dividend basis and is recorded net of withholding tax.

Interest income is accrued on a *pro rata temporis* basis, net of any withholding tax.

h) Forward foreign exchange contracts

Forward foreign exchange contracts are valued at prevailing market rates for the remaining period from valuation day to the maturity of the contracts. Unrealised gain/(loss) is disclosed in the statement of net assets. Net variation of the unrealised gain/(loss) and the net realised gain/(loss) are disclosed in the statement of operations and other changes in net assets.

i) Futures contracts

Futures contracts are posted off-balance sheet and are valued at the last available price applicable to the asset. Unrealised gain/ (loss) is disclosed in the statement of net assets. Net variation of the unrealised gain/(loss) and net realised gain/(loss) are disclosed in the statement of operations and other changes in net assets.

j) Contracts For Differences (CFD)

CFD are recorded off-balance sheet and are valued at the last known price of the underlying security on the stock exchanges or regulated markets. Unrealised gains and/or losses on CFD are recorded in the statement of net assets unless they are settled daily through the receipt/payment of a cash amount corresponding to the daily increase/decrease of the market value of each opened CFD. Such amount is disclosed under the item "Cash at banks" in the statement of net assets.

Notes to the financial statements (continued)

as at 31st December 2019

k) Other liquid assets / other liquid liabilities

The captions "Other liquid assets" and "Other liquid liabilities" are mainly composed of cash accounts held at brokers.

l) Transaction fees

Transaction costs disclosed under the caption "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Fund relating to purchases or sales of securities, of fees relating to transactions paid to the Depositary and of transaction fees on financial and on derivatives instruments. Transaction costs on bonds are included in the cost of the investments.

m) Revaluation difference

The item "Revaluation difference" in the combined statement of operations and other changes in net assets represents the valuation difference of the net asset of the Sub-Fund at the beginning of the year with the exchange rate applicable at the date of the financial statements.

Note 2 - Management fees

The Investment Manager, Catella Fondförvaltning AB, receives an investment management fee ("management fees"), accrued daily and payable monthly in arrears and corresponding to the following maximum rates per annum:

Sub-Funds	Class IC1 (SEK)	Class IC (H-EUR)	Class RC (SEK)	Class RC (H-EUR)	Class RD (SEK)	Class OC (SEK)
Catella SICAV - Catella Nordic Long/Short Equity	-	0.80%	1.25%	1.25%	-	-
Catella SICAV - Catella Nordic Corporate Bond Flex	0.35%	-	0.50%	0.50%	0.50%	0.50%

The Management Company receives an infrastructure fee, accrued daily and payable monthly in arrears, of 0.025% per annum of the net assets of the Sub-Funds, subject to an annual minimum of EUR 15,000.

In addition, the Management Company receives a further 0.025% per annum of the net assets of the Sub-Funds, accrued daily and payable monthly in arrears, subject to no minimum. Furthermore, the Management Company is entitled to be reimbursed out of the assets of the Sub-Funds for its reasonable out-of-pocket expenses and disbursements.

Note 3 - Performance Fees

The Investment Manager is also entitled to receive, from the net assets of certain Classes of Shares of the Sub-Funds Catella SICAV - Catella Nordic Long/Short Equity and Catella SICAV - Catella Nordic Corporate Bond Flex, a performance based incentive fee (the "Performance Fee").

The first Calculation Period commenced on the Valuation Day immediately following the close of the Initial Offer Period. The Performance Fee is calculated, accrued and crystallised on each Valuation Day as an expense of the relevant Class of Shares, meaning that each time a Performance Fee is accrued; it becomes a payable to the Investment Manager. The Performance Fee is paid to the Investment Manager monthly in arrears.

Notes to the financial statements (continued)

as at 31st December 2019

The High Watermark (the "HWM") is the highest of the Net Asset Value of the relevant Class of Shares of the previous Valuation Day and the Index Value of the previous Valuation Day multiplied by the daily performance of the index. The Index Value is the index converted into the base value of the relevant Class of Shares at the date of the launch of the Class of Shares. If the launch price is 100, Index Value is the index to the base of 100.

If on any Valuation Day, the Gross Asset Value ("GAV") per Share, which is the Net Asset Value per Share after accrual of all fees but before the accrual of Performance Fee, is greater than the HWM, a Performance Fee is calculated by multiplying the difference between the GAV per Share and the HWM by the last outstanding number of Shares of the relevant Class of Shares.

The rate of the Performance Fee is 20% p.a. and the index is the OMRX T-Bill Index for all Classes of Shares of the Sub-Funds Catella SICAV - Catella Nordic Long/Short Equity and Catella SICAV - Catella Nordic Corporate Bond Flex.

At the date of the financial statements, a performance fee was due for the following Sub-Fund and amounted to:

Catella SICAV - Catella Nordic Corporate Bond Flex	12,485,732.17	SEK
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Note 4 - Central Administration Costs

Central Administration fees are disclosed in the item "Central administration costs" in the statement of operations and other changes in net assets.

Note 5 - Research Fee

Research fees are disclosed in the item "Other administration cost" in the statement of operations and other changes in net assets.

Note 6 - Subscription duty ("taxe d'abonnement")

The Fund is governed by Luxembourg law.

Pursuant to the legislation and regulations which are prevailing, the Fund is subject to an annual subscription duty ("taxe d'abonnement") of 0.05% of its net assets which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter.

The rate of this tax is reduced to 0.01% of the value of the net assets for Sub-Funds or Classes of shares reserved to institutional investors.

According to Article 175 (a) of the amended Law of 17th December 2010, the net assets invested in Undertakings for Collective Investments already subject to the "taxe d'abonnement" are exempt from this tax.

Note 7 - Forward foreign exchange contracts

As at 31st December 2019, the following Sub-Funds were committed in the following forward foreign exchange contracts with Skandinaviska Enskilda Banken S.A. in Luxembourg as counterparty:

Catella SICAV - Catella Nordic Long/Short Equity

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
Forward foreign exchange contracts linked to RC (H-EUR) and IC (H-EUR) Shares					
EUR	1,620,216.20	SEK	16,949,148.10	31.01.2020	84,217.24
EUR	5,125.74	SEK	53,620.58	31.01.2020	266.43
					84,483.67

Notes to the financial statements (continued)

as at 31st December 2019

Catella SICAV - Catella Nordic Corporate Bond Flex

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
Forward foreign exchange contracts					
EUR	2,700,000.00	SEK	28,243,085.40	10.02.2020	146,261.53
NOK	27,000,000.00	SEK	28,536,192.00	10.02.2020	167,704.67
SEK	14,931,865.20	EUR	1,400,000.00	10.02.2020	211,463.09
SEK	83,673,600.00	NOK	80,000,000.00	10.02.2020	-1,374,982.73
SEK	19,131,122.00	USD	2,000,000.00	10.02.2020	444,873.78
SEK	9,362,756.00	USD	1,000,000.00	10.02.2020	19,631.89
SEK	298,616,416.00	EUR	28,000,000.00	20.02.2020	4,165,358.12
					<u>3,780,310.35</u>

Note 8 - Futures contracts

As at 31st December 2019, the following Sub-Fund was committed in the following contracts:

Catella SICAV - Catella Nordic Corporate Bond Flex

	Number of contracts	Denomination	Currency	Exposure (in SEK)	Unrealised result (in SEK)
Sale	60	Swedbank 5-Year Hypotek FUT 03/20 OMX	SEK	-76,049,364.00	226,632.00
Sale	78	Swedish Govt Bond 10 Years 6% FUT 03/20 OMX	SEK	-123,255,802.80	882,437.40
Sale	400	Swedish Govt Bond 5 Years FUT 03/20 OMX	SEK	-523,793,560.00	2,580,680.00
					<u>3,689,749.40</u>

Note 9 - Contracts For Difference (CFD)

As at 31st December 2019, the following Sub-Fund was committed in the following CFDs with Skandinaviska Enskilda Banken AB (publ) in Stockholm:

Catella SICAV - Catella Nordic Long/Short Equity

	Number of contracts	Denomination	Currency	Market value (in SEK)	Unrealised result (in SEK)
Sale	-45,000	Alfa Laval AB CFD	SEK	-10,615,500.00	265,500.00
Sale	-49,000	Assa Abloy AB B CFD	SEK	-10,731,000.00	230,300.00
Sale	-27,000	Atlas Copco AB A Reg CFD	SEK	-10,087,200.00	280,800.00
Sale	-48,000	Axfood AB CFD	SEK	-10,003,200.00	72,000.00
Sale	-8,000	Carlsberg AS B CFD	DKK	-11,180,511.27	126,002.94
Sale	-53,000	Castellum AB CFD	SEK	-11,660,000.00	37,100.00
Sale	-10,086	DSV Panalpina AS CFD	DKK	-10,890,297.80	45,388.06
Sale	-20,000	Elisa Corp CFD	EUR	-10,351,397.85	79,868.65
Sale	-90,000	Epiroc AB Reg A CFD	SEK	-10,291,500.00	274,500.00
Sale	-30,000	Evolution Gaming Group AB Reg CFD	SEK	-8,460,000.00	75,000.00
Sale	-70,000	Fabege AB Reg CFD	SEK	-10,899,000.00	105,000.00
Sale	-62,000	Getinge AB B CFD	SEK	-10,788,000.00	18,600.00
Sale	-10,000	Kone Oyj B CFD	EUR	-6,124,664.64	90,377.69
Sale	-60,000	Nibe Industrier AB B CFD	SEK	-9,744,000.00	78,000.00
Sale	-320,000	Nokia Oyj CFD	EUR	-11,084,087.65	-53,806.25
Sale	-120,000	Telia Co AB CFD	SEK	-4,830,000.00	68,400.00
Sale	-47,000	Thule Group AB CFD	SEK	-10,152,000.00	253,800.00
Sale	-35,000	Tomra Systems ASA CFD	NOK	-10,376,535.80	178,905.79
				<u>-178,268,895.01</u>	<u>2,225,736.88</u>

Notes to the financial statements (continued)

as at 31st December 2019

Note 10 - Pledged assets

At the date of the financial statements, the following Sub-Funds have pledged assets as described below:

- Catella SICAV - Catella Nordic Long/Short Equity pledged cash as collateral with Skandinaviska Enskilda Banken SA Luxembourg and Skandinaviska Enskilda Banken AB Stockholm for an amount of SEK 8,975,076.91. Cash collateral paid is disclosed in the caption "Cash at banks" in the Statement of net assets. The amount paid and to be received by the Sub-Fund from Skandinaviska Enskilda Banken S.A. and Skandinaviska Enskilda Banken AB Stockholm is disclosed in the caption "Receivable cash collateral paid" in the statement of net assets.
- Catella SICAV – Catella Nordic Corporate Bond Flex has received redeemable pledged cash collateral from Skandinaviska Enskilda Banken SA Luxembourg for an amount of SEK 3,245,000.00. Cash collateral received is disclosed in the caption "Cash at banks" in the Statement of net assets. The amount received and to be redeemed to Skandinaviska Enskilda Banken S.A. is disclosed in the caption "Redeemable cash collateral received" in the statement of net assets.

Those amounts serve as collateral for commitment on OTC derivative instruments.

Note 11 - Changes in the investment portfolio

The statement of changes in the investment portfolio for the period covered by the report is available free of charge upon request from the registered office of the Management Company.

Note 12 - Subsequent events

There are no significant subsequent events.

Additional information (unaudited)

as at 31st December 2019

1 - Risk management

As required by Circular CSSF 11/512, the Board of Directors of the Fund needs to determine the global risk exposure of the Fund by applying either the commitment approach or the VaR ("Value at Risk") approach.

The Board of Directors of the Fund decided to adopt, as a method of determining and monitoring the global exposure:

the VaR ("Value at Risk") approach:

- CATELLA SICAV - CATELLA NORDIC LONG/SHORT EQUITY
- CATELLA SICAV - CATELLA NORDIC CORPORATE BOND FLEX

FundRock Management Company S.A. has selected the parametric "Delta-Gamma" model (variance-covariance) as the model to be applied to the Sub-Funds calculating their global exposure using the VaR approach.

The calculation of the absolute VaR is carried out in accordance with the following parameters:

- Confidence level of 99%;
- VaR horizon of 20 business days;
- Effective observation period of risk factors of 250 business days;
- Daily data set updates; and
- Daily calculation and monitoring of VaR levels.

For the observation period from 1st January 2019 to 31st December 2019 the following statistics computed for the Sub-Funds show the utilisation of VaR:

Sub-Fund	CATELLA NORDIC LONG/SHORT EQUITY	CATELLA NORDIC CORPORATE BOND FLEX
VaR limit	20%	20%
Min VaR	2.34%	0.25%
Max VaR	6.05%	1.23%
AVG VaR	4.17%	0.61%
Average level of leverage*	177.01%	96.79%

* based on the sum of notional methodology

2 - Remuneration disclosure

2.1. Remuneration of the Management Company

FundRock Management Company S.A. ("FundRock") has established and applies a remuneration policy in accordance with the principles laid out under the AIFMD and UCITS V directive, and any related legal & regulatory provisions applicable in Luxembourg. The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the Funds that it manages and of the investors in such Funds, and which includes, *inter alia*, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds that the Management Company manages.

Additional information (unaudited) (continued)

as at 31st December 2019

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock's employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the funds under management.

A paper version of the remuneration policy is made available free of charge to investors at FundRock's registered office.

The amount of remuneration for the financial year ending 31st December 2019 paid by FundRock to its staff: EUR 10,152,416

Fixed remuneration: EUR 9,700,097

Variable remuneration: EUR 452,319

Number of beneficiaries: 119

The aggregated amount of remuneration for the financial year ending 31st December 2019 paid by FundRock to Identified staff/risk takers is as follows:

Identified staff/risk takers: EUR 1,196,213

Other risk takers: EUR Nil

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the overall results of FundRock, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The Policy is subject to annual review by the Compliance Officer and the update is performed by HR department of FundRock and is presented for review to the Remuneration Committee and approval by the Board of FundRock.

2.2 Remuneration of the Investment Manager

The remuneration to Catella Fondförvaltning AB for the period from 1st January 2019 till 31st December 2019:

Number of employees: 39

Total compensation to staff: SEK 55,641,361

Of which compensation to management: SEK 4,539,644

3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")

During the reporting period, the Fund did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported.



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