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# Investerum Global Value Fund Pensionssparfonden

Sub-Funds of ISEC First Fund  
A Luxembourg based mutual investment fund

Unaudited Semi-Annual Report  
as at June 30, 2020

Subscriptions shall only be valid if made on the basis of the KIID (Key Investor Information Document) or the current prospectus accompanied by the most recent annual report, including audited financial statements as well as by the most recent semi-annual report if published more recently than the most recent annual report, including audited financial statements. No one is authorised to state other information than the one contained in the Prospectus as well as in the documents herein mentioned, which are available to the public.

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# ISEC FIRST FUND

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# ISEC FIRST FUND

## Management and Administration

### MANAGEMENT COMPANY

ISEC Services AB  
17, Vattugatan  
111 52 Stockholm  
Sweden

### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman of the Board:  
Lars MELANDER  
9A Vårvägen  
132 36 Saltsjö-Boo  
Sweden

Bo LILJENGREN  
CEO ISEC Group AB  
17, Vattugatan  
111 52 Stockholm  
Sweden

Therece SELIN  
COO ISEC Group AB  
17, Vattugatan  
111 52 Stockholm  
Sweden

Marie FRIMAN  
c/o Apriori Law  
7, Nybrogatan  
114 34 Stockholm  
Sweden

### CONDUCTING OFFICERS

Helena UNANDER-SCHARIN  
CEO ISEC Services AB  
17, Vattugatan  
111 52 Stockholm  
Sweden

Linnea STRIMLING  
Head of ManCo Services ISEC Services AB  
17, Vattugatan  
111 52 Stockholm  
Sweden

### DEPOSITARY AND CENTRAL ADMINISTRATION

RBC Investor Services Bank S.A.  
14, Porte de France  
L - 4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

### REGISTRAR AGENT

RBC Investor Services Bank S.A.  
14, Porte de France  
L - 4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

### PRINCIPAL PAYING AGENT IN LUXEMBOURG

RBC Investor Services Bank S.A.  
14, Porte de France  
L - 4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

### INVESTMENT MANAGER

Investerum AB  
1, Malaxgatan  
164 74 Kista  
Sweden

### CABINET DE RÉVISION AGRÉÉ

Deloitte Audit  
*Société à responsabilité limitée*  
20, Boulevard de Kockelscheuer  
L - 1821 Luxembourg  
Grand Duchy of Luxembourg

# ISEC FIRST FUND

## Information to Unitholders

Information about the Net Asset Value of the units of each Sub-Fund and about the issue and redemption prices is available at all times at the registered office of the Management Company.

Copies of the annual report, including audited financial statements and all unaudited semi-annual reports of the Fund may be obtained by holders of units from the registered office of the Management Company.

A detailed schedule of portfolio changes is available free of charge upon request at the registered office of the Management Company.

# ISEC FIRST FUND

## Investment Managers' Report until June 30, 2020

### Investerum Global Value Fund

#### Investment focus

Investerum Global Value Fund invests in shares in collective investments in order to achieve long-term capital growth and preserve the shareholders capital. The Fund is not biased toward any specific geographical area or industry and invests without reference to a particular benchmark. The Fund is therefore able to invest in the industry and market offering the best prospects. This Fund invests for the long-term.

#### Portfolio and market comment

During the first six months of 2020 Investerum Global Value had total net subscriptions of EUR 1.01 MEUR. Gross subscriptions were 1.32 MEUR and gross redemptions were 0.31 MEUR. Total AUM were unchanged at 145.3 MEUR. NAV decreased from 17,322 to 16,134 (-6.86%).

The first six months of 2020 have been an extraordinarily challenging time in investment markets. Significant events during the period that most affected the performance on the negative was the outbreak of the global pandemic COVID-19. From the end of February to the end of March markets fell sharply due to the uncertainty surrounding the new virus. Most significant events on the positive were the policy responses, which have been considerable. These enormous amounts of stimulus, provided by central banks and governments, have kept corporate and government borrowing costs low and creating the main driving force behind the market rebound seen from end of March to date. Online collaboration businesses and internet shopping companies have been the best performers as opposed to energy, finance and real estate.

#### Organizational or other significant events

There have been neither staffing nor organizational changes of significance at Investerum during the period. The investment strategy has remained unchanged during the period.

#### Significant risks

Most significant risks in the fund are currency risk and credit risk;

**Currency risk:** The fund invests globally in fund units that are priced in different currencies. When the fund invests in assets denominated in currencies different from the reference currency, a currency risk arises. The fund may therefore be affected by exchange rate fluctuations.

**Credit risk:** The Fund may invest in fixed income related funds, and can consequently be subject to credit risk. Credit risk means the risk that the credit rating of an issuer or counterpart decreases, which could affect the value and the liquidity of the asset.

#### ESG

ESG is paramount to Investerum. We are a signatory of UNPRI and a member of SWESIF. However since the Investerum Global Growth fund is a fund of funds and we hence are not in a driving seat position in our underlying funds, we must rely on the ESG work of others and monitor their progress. Based on our continuous contacts with the underlying fund managers it is our conviction that the ESG protocols of the underlying funds are fully satisfactory. All funds currently invested in are signatories of UNPRI.

#### Other

During the period, the responsible Investment Manager was Roland Dahlman.

The figures stated in the report are historical and not necessarily indicative of future performance.

# ISEC FIRST FUND

## Statement of Net Assets as at June 30, 2020

	Note	Investerum Global Value Fund EUR	Combined EUR
<b>ASSETS</b>			
Investment portfolio at market value	(3)	13,798,204	13,798,204
Cash at bank		686,021	686,021
Amounts receivable on subscriptions		200,000	200,000
Other assets		4,114	4,114
Interest and dividends receivable		4,326	4,326
<b>TOTAL ASSETS</b>		<b>14,692,665</b>	<b>14,692,665</b>
<b>LIABILITIES</b>			
Bank overdraft		79,228	79,228
Amounts payable on redemptions		13,756	13,756
Management fees payable	(4)	3,587	3,587
Investment management fees payable	(4)	11,936	11,936
Administration fees payable	(7)	17,245	17,245
Subscription tax payable	(8)	1,826	1,826
Taxes and expenses payable	(10)	34,429	34,429
<b>TOTAL LIABILITIES</b>		<b>162,007</b>	<b>162,007</b>
<b>TOTAL NET ASSETS</b>		<b>14,530,658</b>	<b>14,530,658</b>
<b>Net asset value per unit</b>			
Class D		16.134	
<b>Number of units outstanding</b>			
Class D		900,612.3566	

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

# ISEC FIRST FUND

## Investerum Global Value Fund

### Statement of Investments as at June 30, 2020

(expressed in EUR)

Description	Quantity	Currency	Cost	Market Value	% net assets
<b>Open - ended investment funds (UCITS)</b>					
<b>Ireland</b>					
Ishares Plc /S&P 500	79,013	USD	1,095,750	2,137,672	14.71
JO Ham Inm Bldr -Seed- Gbp /Dis	1,025,835	GBP	1,116,369	1,208,654	8.32
			<b>2,212,119</b>	<b>3,346,326</b>	<b>23.03</b>
<b>Luxembourg</b>					
Fidelity /Gl. Technol. -A- Eur /Dis	82,091	EUR	2,200,000	2,628,556	18.09
Fundsmith Eq -T- Eur /Cap	60,011	EUR	2,200,000	2,487,783	17.12
Jup Glb Pan Eur -F Eur Acc /Cap	27,480	EUR	2,600,000	2,728,467	18.78
			<b>7,000,000</b>	<b>7,844,806</b>	<b>53.99</b>
<b>Sweden</b>					
Ivest Bas Value -Acc -A- Sek	1,673,161	SEK	2,719,389	2,607,072	17.94
			<b>2,719,389</b>	<b>2,607,072</b>	<b>17.94</b>
<b>Total - Open - ended investment funds (UCITS)</b>			<b>11,931,508</b>	<b>13,798,204</b>	<b>94.96</b>
<b>TOTAL INVESTMENT PORTFOLIO</b>			<b>11,931,508</b>	<b>13,798,204</b>	<b>94.96</b>

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

# ISEC FIRST FUND

## Investerum Global Value Fund

### Geographical and Economic Portfolio Breakdowns as at June 30, 2020

(expressed as a percentage of net assets)

<u>Geographical breakdown</u>	<u>%</u>	<u>Economic breakdown</u>	<u>%</u>
Luxembourg	53.99	Investment Funds	94.96
Ireland	23.03		<b>94.96</b>
Sweden	17.94		
	<b>94.96</b>		



# ISEC FIRST FUND

## Notes to the Unaudited Financial Statements as at June 30, 2020

### NOTE 1 – GENERAL

ISEC First Fund (the "Fund") is an open-ended mutual investment fund ("fonds commun de placement") with several separate Sub-Funds ("umbrella fund") set up under the laws of the Grand Duchy of Luxembourg.

The Fund is registered by Part I of the amended Law of December 17, 2010 since July 1, 2011.

On December 13, 2019, ISEC Services AB ("ISEC") was approved to act for the Fund as Management Company governed by chapter 15 of the UCITS Law.

On June 30, 2020, 1 Sub-Fund is in operation:

- Investerum Global Value Fund
  - Class D – Accumulation Units (dedicated to Retail Investors generally)

The final valuation day for the ISEC First Fund – Pensionssparfonden Sub-Fund was May 7, 2019 as the final redemption orders from the sole remaining shareholder in the fund were executed and the payment of these redemptions orders was made to the sole remaining investor on May 10, 2019.

### NOTE 2 – INVESTMENT OBJECTIVES

The investment objective of the Fund is to manage the assets of the different Sub-Funds for the benefit of the Unitholders for the purpose of earning a rate of return reflective of the investment objectives of the Fund, and of seeking growth of capital in the short and/or medium to long term in accordance with, for each Sub-Fund, the investment objective mentioned in their respective Appendix of the prospectus, as defined for each Sub-Fund by the Board of Directors.

No assurance can however be given that the investment objective as described above will be achieved.

In addition to the investment objectives described below, the Board of Directors resolved by Circular Resolution dated November 18, 2008 to allow each Sub-Fund to invest, for defensive purposes and in the interest of the Unitholders, the liquidity, on a temporary basis, in money market instruments and Government Bonds up to 10% of the Total Net Assets of each Sub-Fund.

The investment objective of each relevant Sub-Fund is as follows:

#### **Pensionssparfonden (denominated in SEK):**

Within the general investment objectives and policies of the Fund and with an objective of generating value increase in the long term through active investment management the Sub-Fund will invest its net assets in UCIs, which mainly invest in equities ("Equity Funds") in respect to the following allocation:

- between 60% and 100% of the Sub-Fund's net assets will be invested in Equity Funds investing mainly outside of Sweden;
- up to 40% of the Sub-Fund's net assets will be invested in Equity Funds investing mainly in Sweden and;
- up to 25% of the Sub-Fund's net assets may be invested in Equity Funds investing mainly in Emerging Markets.

#### **Investerum Global Value Fund (denominated in EUR):**

Within the general investment objectives and policies of the Fund and with an objective of generating value increase in the long term through active investment management the Sub-Fund will mainly invest its net assets in a diversified portfolio of UCIs invested in equities ("Equity Funds"), part of the net assets may be invested in bonds ("Bond Funds") and/or in money market instruments ("Money Market Funds") and/or in Equity Funds with an investment objective allowing part investments in bonds and money market instruments in respect to the following allocation:

- at least 50% of the Sub-Fund's net assets will be invested in Equity Funds worldwide;
- no more than 50% of the Sub-Fund's net assets will be invested in Equity Funds having focus on a specific industrial or economical sector;
- no more than 30% of the Sub-Fund's net assets will be invested in Bond Funds and/or Money Market Funds and/or in Equity Funds with an investment objective allowing part investments in bonds and money market instruments worldwide;
- no more than 20% of the Sub-Fund's net assets may be held in cash.

# ISEC FIRST FUND

## Notes to the Unaudited Financial Statements (continued) as at June 30, 2020

### NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles applicable to UCITS and in accordance with laws and regulations in force in the Grand Duchy of Luxembourg.

#### a) Valuation of investments in portfolio

Units or shares of UCIs are valued at their last determined and available NAV, or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors of the Management Company on a fair and equitable basis.

All other securities and other assets are valued at fair market value as determined in good faith pursuant to the procedures established by the Board of Directors of the Management Company.

#### b) Valuation of cash

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 is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

#### c) Net Realised profit/loss on sales of investments

Net Realised profit and loss on sales of investments sold are computed on the basis of the average cost of investments sold.

#### d) Foreign exchange translation

All assets and liabilities, which are valued in a currency other than the base currency in which units of the relevant Sub-Fund are expressed, are converted into the base currency at the exchange rate prevailing as at June 30, 2020. The exchange rates used for Sub-Fund Investerum Global Value Fund as at June 30, 2020 are the following:

1 GBP	=	1.093979	EUR
1 SEK	=	0.095406	EUR
1 USD	=	0.889957	EUR

Income and expenses expressed in a currency other than the base currency in which units of the relevant Sub-Fund are expressed are translated into the base currency at the applicable exchange rate prevailing at the transaction date.

Net unrealised foreign exchange gains or losses are included in the Statement of Net Assets. Net realised profit or losses on foreign exchange are included in the Statement of Operations and Changes in Net Assets.

#### e) Cost of investments

Cost of investments for each Sub-Fund expressed in a currency other than the base currency is translated at the exchange rate prevailing at the purchase date.

#### f) Income from investments

Dividends are recognised as income on the date the investments are first quoted ex-dividend, to the extent information thereon is reasonably available to the Fund. Interest is accrued prorata temporis on each net asset valuation.

#### g) Forward foreign exchange contracts

Profit or loss arising from un-matured forward foreign exchange contracts are determined on the basis of the applicable forward foreign exchange rates at the valuation date, and are recorded in the Statement of Net Assets and in the Statement of Operations and Changes in Net Assets.

### NOTE 4 – INVESTMENT MANAGEMENT FEES

In accordance with the Investment Management Agreement dated November 18, 2019, Investerum AB was entitled to the following Investment Management fees that are based on the average net assets of the Sub-Funds as determined on each valuation date and payable quarterly in arrears:

- An investment management fee of max 1.0% per annum in favour of the Investment Manager of the Class C and Class D Units in respect of Pensionssparfonden.
- An investment management fee of 1.00% per annum in favour of the Investment Manager. The Investment Management Fee may also cover distribution activities of the Investment Manager and can be shared with any appointed distributors/intermediaries in compliance with applicable laws and regulations in respect of Investerum Global Value Fund.

# ISEC FIRST FUND

## Notes to the Unaudited Financial Statements (continued) as at June 30, 2020

### **NOTE 4 – INVESTMENT MANAGEMENT FEES (continued)**

The overall maximum level of the Investment Management Fee (taking into account net amount of possible rebates from the other UCITS and/or UCIs in which the Sub-Fund invests) that may be charged by the Sub-Fund itself and by investment in other UCITS and/or UCIs in which the Sub-Fund invests, shall be calculated based on the weight allocated to each of these underlying investments, and it shall not exceed 4.00% p.a. for Class C and D. Possible performance fees charged from the Sub-Fund itself and/or to the other UCITS and/or UCIs in which the Sub-Fund invests in are not taken into account in the maximum level of the Investment Management Fee.

If the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same Management Company or by any other company to which the Management Company is linked by common management or control or by a substantial direct or indirect holding, that Management Company or other company may not charge subscription or redemption fees on account of the Fund's investment in the units of other UCITS and/or other UCI.

The Management Company is entitled to receive out of the assets of the relevant Sub-Fund a Management Company fee of 0.0625% per annum with an annual min fee of EUR 43,636.

### **NOTE 5 – PERFORMANCE FEES**

In addition to the Investment Management fee described in note 4 above, the Investment Manager is also entitled to a performance fee, as fully described in the prospectus. Performance fee is payable yearly in arrears and will be accrued in each NAV calculation.

The performance fee is defined as follows:

- 20% per annum of the performance which exceeds the return of the Sub-Fund Investerum Global Value Fund.

As at June 30, 2020, there are no performance fees for the Sub-Fund Investerum Global Value Fund.

### **NOTE 6 – DISTRIBUTION FEES AND DISTRIBUTION SUPPORT FEES**

#### **Distribution fees**

The Distributor for Units of the Sub-Fund Pensionssparfonden is entitled to a fee of up to 0.25% per annum for Class C based on the net assets of the Sub-Fund as determined on each valuation date and payable quarterly in arrears.

The Sub-Fund Investerum Global Value Fund is not subject to distribution fees.

### **NOTE 7 – ADMINISTRATION FEES AND TRANSFER AGENCY FEES**

#### **Central Administration Agent, Registrar and Transfer Agent fees**

The Fund will pay to the Depository, the Central Administration Agent and the Registrar and Transfer Agent annual fees which will vary up to a maximum of 0.5% of the net asset value at the Fund level subject to a minimum fee per Sub-Fund of EUR 19,600 and a minimum fee of EUR 21,000 at the Fund level.

These fees are payable on a monthly basis and do not include any transaction related fees and costs of sub-custodians or similar agents. The Depository, the Central Administration Agent as well as the Registrar Agent are also entitled to be reimbursed of reasonable disbursements and out of pocket expenses which are not included in the above mentioned fees.

### **NOTE 8 – SUBSCRIPTION TAX**

Under present Luxembourg law, the Fund is subject to "subscription tax" at the annual rate of 0.01% for all Class C units which are dedicated to Institutional Investors and at the annual rate of 0.05% for all Class D Units payable quarterly and calculated on the basis of the net assets calculated as at the end of each calendar quarter.

In case some Sub-Funds are invested in other Luxembourg investment funds, which in turn are subject to the subscription tax provided for by the law of December 17, 2010, as amended, relating to undertakings in collective investment, no subscription tax is due from the Sub-Funds on the portion of assets invested therein.

### **NOTE 9 – FINANCIAL STATEMENTS AND CURRENCY TRANSLATION**

The Fund's total net assets is expressed in EUR and corresponds to the difference between the total assets and the total liabilities of the Fund. In order to calculate this value, the net assets of each Sub-Fund are, unless they are already expressed in EUR, converted into EUR at the exchange rates prevailing at June 30, 2020 and added together.

# ISEC FIRST FUND

## Notes to the Unaudited Financial Statements (continued) as at June 30, 2020

### NOTE 9 – FINANCIAL STATEMENTS AND CURRENCY TRANSLATION (continued)

Assets and liabilities expressed in currencies other than the Sub-Fund's currency are translated into the Sub-Fund's currency at the exchange rates applicable as at each valuation date. Income and expenses in currencies other than the Sub-Fund's currency are translated into the Sub-Fund's currency at the exchange rates applicable at the transaction date.

### NOTE 10 – TAXES AND EXPENSES PAYABLE

For the period ended June 30, 2020, the following taxes and expenses are payable:

	<b>Investerum Global Value Fund EUR</b>
Other charges payable	34,429
	<b>34,429</b>

### NOTE 11 – DIVIDENDS DISTRIBUTED

During the period ended June 30, 2020, no dividend was paid out.

### NOTE 12 – PENSIONSSPARFONDEN SUB-FUND

Although the Pensionssparfonden Sub-Fund was liquidated on May 7, 2019 there are still some cash balances (SEK 23,484.76 and USD 2,951.49) in the account as per June 30, 2020. These cash balances will be used to pay any audit and legal fees outstanding after the period end.

### NOTE 13 – POST BALANCE SHEET EVENT – THE COVID-19 OUTBREAK

#### **Assessment of the coronavirus outbreak and its impact on global commercial activity and contribution to significant declines and volatility in financial markets**

The COVID-19 outbreak initially had a devastating impact on airlines and the hospitality industry. Manufacturing industry and subcontractors were later hard hit and it seems all asset classes are suffering declines and increased volatility.

Our forward assessment of the impact on global commerce is that as long as the great uncertainty still prevails so will commercial challenges and volatility.

#### **Effects on the activities of the Fund and its performance**

The Management Company of the Fund is carefully monitoring the situation as well as its potential impacts on the Fund. The activity of the Fund has been in compliance with its long term strategy and the performance has been in line with expectations. Hence – no major effects on the activities of the Fund have occurred and the Fund is in full capacity to continue its usual operations in accordance with its investment policy and its prospectus.

Furthermore there has been no unusual redemption during the first quarter due to the outbreak and the Fund is neither suspended nor gated. Information on the Fund's unaudited net assets values and unaudited financial information are available on [www.isec.com/funds](http://www.isec.com/funds).

# ISEC FIRST FUND

## Unaudited Appendix

### **SFTR (EU regulation N 2015/2365)**

During the period to which this report relates, the Fund did not engage in transactions which are subject to EU regulation N 2015/2365 on the transparency of securities financing transactions and of reuse. Accordingly, no global, concentration or transaction data, or information on the reuse or safekeeping of collateral is required to be reported.