

## Annual accounts 2018

| Income statement                              |          | Delphi<br>Nordic |                  | Delphi<br>Europe |                  | Delphi<br>Global |                  |
|---|----------|------------------|------------------|------------------|------------------|------------------|------------------|
| (in NOK 1000)                                 | Note     | 2018             | 2017             | 2018             | 2017             | 2018             | 2017             |
| <b>Portfolio profits and losses</b>           |          |                  |                  |                  |                  |                  |                  |
| Interest income                               |          | -1,076           | -2,426           | -564             | -646             | 366              | 53               |
| Dividend                                      |          | 167,017          | 173,183          | 31,553           | 36,708           | 45,751           | 65,134           |
| Gains/losses on realizations                  |          | 152,043          | 1,099,283        | -26,584          | 231,820          | 96,630           | 625,183          |
| Net change in unrealized capital gains/losses |          | -963,676         | -94,482          | -208,850         | -16,828          | -378,144         | -83,494          |
| Other portfolio income and costs              |          | -266             | -69              | -56              | -92              | -169             | 81               |
| <b>Portfolio profits and losses</b>           |          | <b>-645,960</b>  | <b>1,175,490</b> | <b>-204,501</b>  | <b>250,961</b>   | <b>-235,567</b>  | <b>606,957</b>   |
| <b>Management income and costs</b>            |          |                  |                  |                  |                  |                  |                  |
| Management fee                                |          | -116,636         | -136,972         | -27,799          | -32,022          | -59,459          | -67,797          |
| Management fee - variable                     |          | -                | -                | -                | -                | 18,706           | -4,155           |
| <b>Management profits and losses</b>          |          | <b>-116,636</b>  | <b>-136,972</b>  | <b>-27,799</b>   | <b>-32,022</b>   | <b>-40,753</b>   | <b>-71,952</b>   |
| <b>Year's profit/loss</b>                     |          | <b>-762,595</b>  | <b>1,038,518</b> | <b>-232,300</b>  | <b>218,939</b>   | <b>-276,320</b>  | <b>535,005</b>   |
| <b>Allocation of net income/loss coverage</b> |          |                  |                  |                  |                  |                  |                  |
| Transfers to/from retained earnings           |          | -762,595         | 1,038,518        | -232,300         | 218,939          | -276,320         | 535,005          |
| <b>Sum</b>                                    |          | <b>-762,595</b>  | <b>1,038,518</b> | <b>-232,300</b>  | <b>218,939</b>   | <b>-276,320</b>  | <b>535,005</b>   |
| <b>Balance</b>                                |          |                  |                  |                  |                  |                  |                  |
|   |          | 31.12.2018       | 31.12.2017       | 31.12.2018       | 31.12.2017       | 31.12.2018       | 31.12.2017       |
| <b>Assets</b>                                 |          |                  |                  |                  |                  |                  |                  |
| Securities at cost                            |          | 4,128,199        | 5,397,051        | 1,058,580        | 1,344,303        | 2,273,313        | 2,732,992        |
| Unrealized gains/losses                       |          | -18,312          | 945,546          | -2,990           | 206,029          | 133,728          | 511,970          |
| Accrued interest securities                   |          | -                | -                | -                | 0                | -                | 1                |
| <b>Sum securities portfolio</b>               | <b>2</b> | <b>4,109,888</b> | <b>6,342,597</b> | <b>1,055,591</b> | <b>1,550,332</b> | <b>2,407,041</b> | <b>3,244,963</b> |
| <b>Receivables</b>                            |          |                  |                  |                  |                  |                  |                  |
| Receivable dividends                          |          | 15,702           | 10,535           | 7,144            | 4,332            | 6,671            | 4,973            |
| Receivable interest bank                      |          | -55              | -29              | -38              | -21              | 31               | 64               |
| <b>Sum receivables</b>                        |          | <b>15,646</b>    | <b>10,506</b>    | <b>7,106</b>     | <b>4,311</b>     | <b>6,703</b>     | <b>5,037</b>     |
| Unsettled from brokers                        |          | 3,915            | -                | -                | -                | -                | -                |
| Unsettled from clients                        |          | 1,765            | 3,376            | 887              | 1,555            | 1,582            | 678              |
| <b>Sum unsettled receivables</b>              |          | <b>5,680</b>     | <b>3,376</b>     | <b>887</b>       | <b>1,555</b>     | <b>1,582</b>     | <b>678</b>       |
| Bank deposits                                 |          | 320,002          | 75,741           | 78,085           | 40,068           | 162,398          | 68,074           |
| <b>Total assets</b>                           |          | <b>4,451,215</b> | <b>6,432,220</b> | <b>1,141,669</b> | <b>1,596,267</b> | <b>2,577,724</b> | <b>3,318,752</b> |
| <b>Equity</b>                                 |          |                  |                  |                  |                  |                  |                  |
| Share capital at par                          |          | 143,822          | 180,076          | 382,093          | 449,411          | 1,096,253        | 1,039,506        |
| Above/under par value                         |          | 5,055,291        | 5,199,934        | 989,532          | 924,353          | 1,748,260        | 1,726,804        |
| <b>Total paid-in equity capital</b>           |          | <b>5,199,113</b> | <b>5,380,010</b> | <b>1,371,624</b> | <b>1,373,764</b> | <b>2,844,513</b> | <b>2,766,310</b> |
| Retained earnings                             |          | -762,595         | 1,038,518        | -232,300         | 218,939          | -276,320         | 535,005          |
| <b>Sum equity</b>                             | <b>7</b> | <b>4,436,518</b> | <b>6,418,528</b> | <b>1,139,325</b> | <b>1,592,703</b> | <b>2,568,193</b> | <b>3,301,315</b> |
| <b>Liabilities</b>                            |          |                  |                  |                  |                  |                  |                  |
| Unsettled management fees                     |          | 731              | 1,056            | 188              | 262              | 2,341            | 9,212            |
| Unsettled redemptions                         |          | 6,576            | 2,473            | 295              | 702              | 3,212            | 2,913            |
| Tax debt                                      |          | -                | -                | -                | -                | -                | -                |
| Other liabilities                             |          | 7,391            | 10,163           | 1,862            | 2,601            | 3,978            | 5,312            |
| <b>Sum liabilities</b>                        |          | <b>14,698</b>    | <b>13,692</b>    | <b>2,345</b>     | <b>3,564</b>     | <b>9,531</b>     | <b>17,437</b>    |
| <b>Total equity and liabilities</b>           |          | <b>4,451,215</b> | <b>6,432,220</b> | <b>1,141,669</b> | <b>1,596,267</b> | <b>2,577,724</b> | <b>3,318,752</b> |

Board of Directors at Storebrand Asset Management AS, Lysaker 22. mars 2019

Odd Arild Grefstad  
Styrets leder

Lars Aa Løddesøl

Sverre Dale Moen

Hilde Marit Lodvir Hengebøl

Brita Cathrine Knutson

Karsten Solberg

Jan Erik Saugestad  
administrerende direktør

## **General notes 2018**

### **Note 1: Accounting principles**

All figures in NOK 1,000 unless otherwise stated.

The 2018 accounts have been prepared in accordance with the Norwegian Accounting Act and regulations governing the annual accounts of securities funds.

#### **Financial instruments:**

All financial instruments, such as shares, bonds, interest-bearing securities, interest swaps and forex forward contracts are valued at their fair value (market value).

#### **Determination of fair value:**

Securities are valued at their market price on 28 December 2018. The same applies to exchange rates.

Norwegian interest-bearing securities are primarily valued using prices quoted by Nordic Bond Pricing. Foreign interest-bearing securities are primarily valued using prices quoted by Bloomberg and Reuters.

Interest swaps and forex forward contracts are valued theoretically, based on discounted future cash flows.

Futures contracts are realized daily and thus have no balance sheet carrying amount

Unlisted shares are priced in accordance with official OTC lists of unlisted shares. If there are no such lists, the share is priced at its last traded value. This comprises an insignificant share of the portfolio.

#### **Realized gains and losses:**

When investments are realized, the accounting gain or loss is calculated based on the acquisition cost. Currency gains/losses not related to securities, emerges as portfolio revenue/costs.

#### **Transaction costs:**

Transaction costs incurred when buying securities (brokerage and costs) are capitalized as part of the cost of the security and comply with the realization principle.

#### **Distributions to unit holders:**

For interest-rate funds, the profit for tax purposes, consisting of interest incomes, realized gains/losses and other incomes minus the management fee and transaction-driven costs, is distributed to those that were unit holders on 31 December. All distributions to unit holders in interest-rate funds are treated as an allocation of profit in accordance with the regulations governing annual accounts for securities funds.

#### **Remuneration scheme:**

The remuneration scheme in Storebrand Asset Management AS consists of fixed salaries and variable remuneration. The fixed salaries are set on a market based evaluation, and the variable remuneration is based on a comprehensive evaluation of the teams results and individual performance.

A more detailed description is available at [www.storebrand.no/saminfo](http://www.storebrand.no/saminfo).

### **Note 2: Portfolio overview**

## Delphi Nordic Noter

### Note 3: Accounting principles and market risk

Delphi Nordic (UCITS) is an equity fund that aims to provide the highest possible long-term return within its investment frameworks. The fund invests mainly in companies listed on nordic stock exchanges. Its benchmark is VINX Nordic Index measured in NOK. The fund is subject to the general market risk linked to stock market investments. It is also subject to foreign-exchange risk since foreign investments are not currency hedged.

### Note 4: Custodial expenses, brokerage and costs

Transaction costs relating to the purchase of securities (brokerage) are capitalized as part of the cost of the security and comply with the realization principle.

|                                | 2018       | 2017       |
|--------------------------------|------------|------------|
| Transaction costs in whole NOK | 10,796,859 | 11,711,826 |

### Note 5: Turnover ratio

The turnover ratio is calculated as the lesser for the year's sales or purchases divided by the average assets under management

|                 | 2018 | 2017 |
|-----------------|------|------|
| Turnover ratio: | 1.24 | 1.09 |

### Note 6: Management fee and commission

The management fee is calculated as a percentage of the daily assets under management.

| Unit Class      | Management fee p.a. | Currency | Minimum subscriptions |
|-----------------|---------------------|----------|-----------------------|
| Delphi Nordic A | 2.00 %              | NOK      | 100                   |

The normal commission for subscriptions and redemptions is 0%, but commission of 0.2% may be incurred for amounts in excess of 2 million.

### Note 7: Equity

|                            | 2018       | 2017       |
|----------------------------|------------|------------|
| Equity capital as of 01.01 | 6,418,528  | 6,376,376  |
| Subscriptions              | 851,634    | 1,107,803  |
| Redemptions                | -2,071,049 | -2,104,169 |
| Profit of the year         | -762,595   | 1,038,518  |
| Equity capital as of 31.12 | 4,436,518  | 6,418,528  |

### Note 8: No. of units (in whole figures)

|              | Unit class      | 31.12.2018 | 31.12.2017 | 31.12.2016 |
|--------------|-----------------|------------|------------|------------|
| No. Of units | Delphi Nordic A | 143,822    | 180,075    | 208,379    |
| Price        | Delphi Nordic A | 30,847     | 35,643     | 30,600     |

### Note 9: Tax

Equity funds are essentially exempt from tax on gains and do not have a right to deduct for losses on the realization of shares. Furthermore, dividends received from companies within the EEA are basically tax-exempt. However, 3% of these dividends are treated as taxable income to Norway. Dividends received from companies outside the EEA are taxable. The funds can be charged with withholding tax on dividends received from all foreign companies. The fund is not in payable tax position, thereby deferred tax assets is not included in the balance sheet.

### Note 10: Changes in value over the past five years

| Year      | 2018     | 2017    | 2016    | 2015    | 2014    |
|-----------|----------|---------|---------|---------|---------|
| Fund      | -13.46 % | 16.48 % | 1.23 %  | 45.80 % | 26.39 % |
| Benchmark | -5.88 %  | 19.24 % | -3.06 % | 22.06 % | 18.60 % |

### Note 11: Related parties

Companies in the Storebrand Group and/or funds managed by Storebrand own units in the fund equal to 8,91% of the assets under management.

## Delphi Europe Noter

### Note 3: Accounting principles and market risk

Delphi Europe (UCITS) is an equity fund that aims to provide the highest possible long-term return within its investment frameworks. The fund invests mainly in companies listed on European stock exchanges. Its benchmark is MSCI Europe Index measured in NOK. The fund is subject to the general market risk linked to stock market investments. It is also subject to foreign-exchange risk since foreign investments are not currency hedged.

### Note 4: Custodial expenses, brokerage and costs

Transaction costs relating to the purchase of securities (brokerage) are capitalized as part of the cost of the security and comply with the realization principle.

|                                | 2018      | 2017      |
|--------------------------------|-----------|-----------|
| Transaction costs in whole NOK | 5,393,081 | 7,877,242 |

### Note 5: Turnover ratio

The turnover ratio is calculated as the lesser for the year's sales or purchases divided by the average assets under management

|                 | 2018 | 2017 |
|-----------------|------|------|
| Turnover ratio: | 1.67 | 1.94 |

### Note 6: Management fee and commission

The management fee is calculated as a percentage of the daily assets under management.

| Unit Class      | Management fee p.a. | Currency | Minimum subscriptions |
|-----------------|---------------------|----------|-----------------------|
| Delphi Europe A | 2.00 %              | NOK      | 100                   |

The normal commission for subscriptions and redemptions is 0%, but commission of 0.2% may be incurred for amounts in excess of 2 million.

### Note 7: Equity

|                            | 2018      | 2017      |
|----------------------------|-----------|-----------|
| Equity capital as of 01.01 | 1,592,703 | 1,559,705 |
| Subscriptions              | 174,579   | 243,722   |
| Redemptions                | -395,657  | -429,663  |
| Profit of the year         | -232,300  | 218,939   |
| Equity capital as of 31.12 | 1,139,325 | 1,592,703 |

### Note 8: No. of units (in whole figures)

|              | Unit class      | 31.12.2018 | 31.12.2017 | 31.12.2016 |
|--------------|-----------------|------------|------------|------------|
| No. Of units | Delphi Europe A | 382,093    | 449,411    | 506,367    |
| Price        | Delphi Europe A | 2,982      | 3,544      | 3,080      |

### Note 9: Tax

Equity funds are essentially exempt from tax on gains and do not have a right to deduct for losses on the realization of shares. Furthermore, dividends received from companies within the EEA are basically tax-exempt. However, 3% of these dividends are treated as taxable income to Norway. Dividends received from companies outside the EEA are taxable. The funds can be charged with withholding tax on dividends received from all foreign companies. The fund is not in payable tax position, thereby deferred tax assets is not included in the balance sheet.

### Note 10: Changes in value over the past five years

| Year      | 2018     | 2017    | 2016    | 2015    | 2014    |
|-----------|----------|---------|---------|---------|---------|
| Fund      | -15.86 % | 15.06 % | -2.62 % | 20.00 % | 11.45 % |
| Benchmark | -9.87 %  | 19.26 % | -3.14 % | 14.70 % | 15.95 % |

### Note 11: Related parties

Companies in the Storebrand Group and/or funds managed by Storebrand own units in the fund equal to 10,10% of the assets under management.

## Delphi Global Noter

### Note 3: Accounting principles and market risk

Delphi Global (UCITS) is an equity fund that aims to provide the highest possible long-term return within its investment frameworks. The fund invests mainly in companies listed on global stock exchanges. Its benchmark is MSCI World Index measured in NOK. The fund is subject to the general market risk linked to stock market investments. It is also subject to foreign-exchange risk since foreign investments are not currency hedged.

### Note 4: Custodial expenses, brokerage and costs

Transaction costs relating to the purchase of securities (brokerage) are capitalized as part of the cost of the security and comply with the realization principle.

|                                | 2018      | 2017      |
|--------------------------------|-----------|-----------|
| Transaction costs in whole NOK | 5,870,397 | 7,341,804 |

### Note 5: Turnover ratio

The turnover ratio are the sum of the year's purchases and sales of asset divided by two, and then divided by the average assets under management.

|                 | 2018 | 2017 |
|-----------------|------|------|
| Turnover ratio: | 1.51 | 1.75 |

### Note 6: Management fee and commission

The management fee is calculated as a percentage of the daily assets under management.

| Unit Class       | Management fee p.a. | Currency | Minimum subscriptions |
|------------------|---------------------|----------|-----------------------|
| Delphi Global A  | 0-4%                | NOK      | 100                   |
| Delphi Global A3 | 2 %                 | EUR      | 100                   |
| Delphi Global N  | 1 %                 | NOK      | 100                   |

The normal commission for subscriptions and redemptions is 0%, but commission of 0.2% may be incurred for amounts in excess of 2 million.

### Note 7: Equity

|                            | 2018       | 2017       |
|----------------------------|------------|------------|
| Equity capital as of 01.01 | 3,301,315  | 3,368,611  |
| Subscriptions              | 968,706    | 478,856    |
| Redemptions                | -1,425,509 | -1,081,157 |
| Profit of the year         | -276,320   | 535,005    |
| Equity capital as of 31.12 | 2,568,193  | 3,301,315  |

### Note 8: No. of units (in whole figures)

|              | Unit class       | 31.12.2018 | 31.12.2017 | 31.12.2016 |
|--------------|------------------|------------|------------|------------|
| No. Of units | Delphi Global A  | 801,904    | 1,039,506  | 1,243,236  |
| No. Of units | Delphi Global A3 | 100        | -          | -          |
| No. Of units | Delphi Global N  | 294,249    | -          | -          |
| Price        | Delphi Global A  | 2,877      | 3,176      | 2,710      |
| Price        | Delphi Global A3 | 853        | -          | -          |
| Price        | Delphi Global N  | 886        | -          | -          |

### Note 9: Skatt

Equity funds are essentially exempt from tax on gains and do not have a right to deduct for losses on the realization of shares. Furthermore, dividends received from companies within the EEA are basically tax-exempt. However, 3% of these dividends are treated as taxable income to Norway. Dividends received from companies outside the EEA are taxable. The funds can be charged with withholding tax on dividends received from all foreign companies. The fund is not in payable tax position, thereby deferred tax assets is not included in the balance sheet.

### Note 10: Changes in value over the past five years (Delphi Global A)

| Year      | 2018    | 2017    | 2016    | 2015    | 2014    |
|-----------|---------|---------|---------|---------|---------|
| Fund      | -9.40 % | 17.21 % | -0.71 % | 19.59 % | 24.86 % |
| Benchmark | -3.36 % | 16.31 % | 4.55 %  | 17.03 % | 29.68 % |

### Note 11: Related parties

Companies in the Storebrand Group and/or funds managed by Storebrand own units in the fund equal to 11,35% of the assets under management.