

Risk Information

Past returns are no guarantee of future returns. The money invested in the fund may increase or decrease in value and it is not certain that you will get back all the capital you have invested. The fund's value can vary significantly due to the fund's structure and the management methods used by the management company. The fund's risk/reward indicator, which can be found in the fund's key investor information document, currently puts the fund in risk category 6, which means there is high risk of both increases and decreases in the net asset value. Category 1 does not mean that the fund is risk-free. Over time the fund may move to the right or left on the scale. This is because the indicator is based on past data, which is not a guarantee of future risk/reward. The key investor information document, prospectus and rules for the fund may be ordered from the management company or downloaded from www.lannebofonder.se.

The Fund's Investment Policy

Lannebo Småbolag Select is an actively managed equity fund (non-UCITS fund) which invests in small and medium sized enterprises listed in the Nordic region, particularly in Sweden. The fund invests in companies which have a market capitalisation amounting to no more than 1 percent of the total Swedish market capitalisation. At the end of the first half of the year, this meant a market capitalisation of around SEK 41 billion. The fund has more relaxed investment rules than an "ordinary" equity fund, which gives the fund manager more options.

Fund Manager's Comments

The stock market ended an already strong trading year with yet another positive month. With regards to monetary policy, we witnessed the Swedish Central Bank, Riksbanken, cut its benchmark interest rate to 0.75 percent and the U.S. Federal Reserve said it would reduce its purchase of bonds. The U.S. Federal Reserve also announced that U.S. interest rates could remain at current levels for longer than previously announced. The Lannebo Småbolag Select's performance exceeded that of the market.

Among the holdings that performed notably best during the month were the lighting company Fagerhult, which announced an acquisition prior to Christmas, and the Danish cosmetics chain Matas. NIBE Industrier's share price adjusted slightly after the significant increase during November.

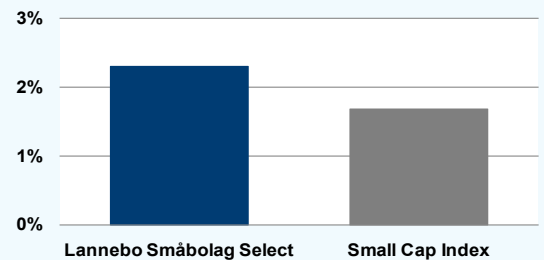
During the month, the Fund made a major investment in the packaging company BillerudKorsnäs. The merger between Billerud and Korsnäs was finalized in late 2012, forming one of the world's largest suppliers of packaging for food and beverages. Food and beverage containers make up 60 percent of the company's turnover, which contributes to a stable sales volume. Significant cost savings are also expected as a result of the merger.

The fund sold its holding in Norwegian media group Schibsted, which has developed very strongly in the stock market in recent years. Schibsted's Internet based activities, such as the advertising site Blocket, have attracted an increasing interest from the stock market. In

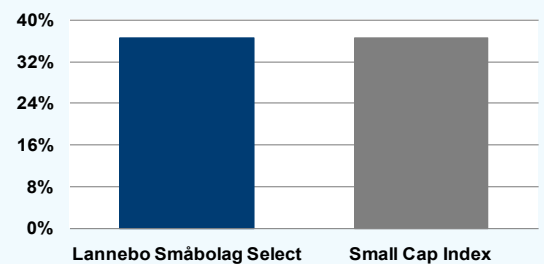
conjunction with the share price increase, expectations have risen that the company in fact will succeed with the Blocket-like ventures launched in markets in South America and Asia. The holdings in Intrum Justitia and G & L Beijer were reduced during the month.

The major stock market theme during 2013 has been low interest rates, which lowers required returns and stimulates an increase in risk taking. Interest in the stock market has risen and can be seen in the form of increased trading and a few IPOs. The economy appears to be improving, albeit at a slow pace. The portfolio companies have gratifyingly reported rising profits, which we believe is a necessary condition for continued positive stock market performance in 2014.

Performance for the Month



Performance Year-to-Date



Performance, %

| | Lannebo Småbolag Select | Small Cap Index |
|------------------------------|-------------------------|-----------------|
| December 2013 | +2.3 | +1.7 |
| Year-to-Date 2013 | +36.7 | +36.6 |
| 3 Years | +32.7 | +33.5 |
| 5 Years | +204.1 | +194.7 |
| 10 Years | +331.1 | +283.8 |
| Since Inception (31/10/2000) | +563.9 | na |
| Average Annual Return | +24.1 | +24.1 |
| 24 Months | | |

The unit price for Lannebo Småbolag Select is set after 16:00 but before the time when the price for the index is collected at 17:30. This can sometimes result in a comparison between the two being misleading.

Monthly Performance, %

| | Jan | Feb | Mar | Apr | May | Jun |
|--|------|------|------|------|------|------|
| | +4.5 | +7.5 | -0.6 | +1.2 | +2.5 | -1.2 |
| | Jul | Aug | Sep | Oct | Nov | Dec |
| | +5.6 | +1.6 | +2.4 | +3.7 | +2.3 | +2.3 |

Key Figures

| | Lannebo Småbolag Select | Small Cap Index |
|-------------------|-------------------------|-----------------|
| Sharpe Ratio | 2.1 | 1.7 |
| Total Risk, % | 9.9 | 12.7 |
| Tracking Error | 5.7 | |
| Information Ratio | 0.0 | |
| Alpha | 0.5 | |
| Beta | 0.7 | |

Major Changes

| Net Purchases | Net Sales |
|-----------------|-----------------|
| BillerudKorsnäs | Schibsted |
| | Intrum Justitia |
| | G&L Beijer |

Lannebo Småbolag Select

Swedish-registered Non-UCITS Fund (Special Fund)

Monthly Report December 2013

Major Holdings

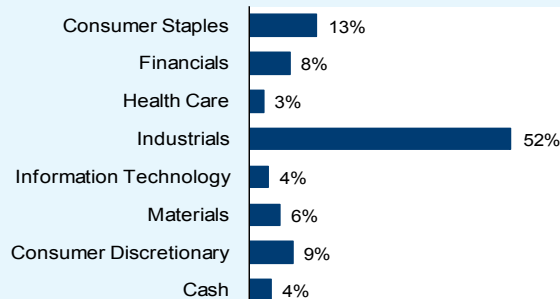
| Name of Securities | Share of Net Assets (%) | |
|-----------------------|-------------------------|--------|
| | 31 Dec | 30 Nov |
| OEM International B | 6.1 | 5.8 |
| NIBE Industrier B | 6.1 | 6.3 |
| Indutrade | 6.0 | 5.9 |
| Wihlborgs Fastigheter | 5.0 | 4.9 |
| G&L Beijer B | 4.3 | 4.7 |
| ICA Gruppen | 4.1 | 4.0 |
| Hexpol B | 4.0 | 3.9 |
| BillerudKorsnäs | 3.9 | 0.0 |
| Intrum Justitia | 3.6 | 4.9 |
| Cloetta B | 3.2 | 3.1 |
| Matas | 3.2 | 2.9 |
| Pandora | 3.1 | 3.0 |
| VBG Group B | 3.0 | 3.0 |
| Trelleborg B | 3.0 | 3.0 |
| Olvi A | 2.9 | 2.7 |
| Chr. Hansen Holding | 2.9 | 3.0 |
| Fabege | 2.8 | 2.7 |
| NKT Holding | 2.8 | 2.7 |
| Lindab | 2.7 | 2.5 |
| Likviditet | 4.5 | 7.0 |

| | | |
|--|------|------|
| Total Number of Holdings | 30 | 30 |
| Ten Largest Holdings, % of Net Assets | 46.5 | 46.6 |

Fund Facts

| | |
|--|--|
| Strategy | Non-UCITS Fund, Small Caps, Nordic Region |
| Management Objectives | Good risk-adjusted return |
| Launch Date | 31/10/2000 |
| Unit Price, end of month, SEK | 1,061.94 |
| Fund Assets, end of month, SEK millions | 2,094 |
| Benchmark Index | Carnegie Small Cap Sweden Return Index |
| Bankgiro | 5563-8004 |
| ISIN | SE0000917205 |
| Management Company | Lannebo Fonder AB |
| Fund Manager | Mats Gustafsson |
| Depository | SEB |
| Supervisory Authority | Swedish Financial Supervisory Authority |
| Auditor | Deloitte |
| Price Listing | Monthly (last banking day) |
| Fixed Fee | 0.7% |
| Performance-based Fee | 20% of any excess return |
| Subscription/Redemption | Two/five banking days respectively before the last banking day of the month |
| Return Threshold | 30-day STIBOR, monthly on the first banking day of each month, plus three percentage points, currently 4.04% |
| Portfolio Turnover Ratio | 0.4 (12/31/2013) |

Allocation of Portfolio



Annual Performance, %

| | Lannebo Småbolag Select | Small Cap Index |
|------|-------------------------|-----------------|
| 2012 | +12.6 | +12.6 |
| 2011 | -13.8 | -13.2 |
| 2010 | +42.5 | +30.6 |
| 2009 | +60.9 | +68.9 |
| 2008 | -35.7 | -44.4 |

Risk/reward profile according to the risk indicator in the fund's key investor information document



Explanations

| | |
|--------------------------|--|
| Small Cap Index | Carnegie Small Cap Sweden Return Index. |
| Sharpe Ratio | A measure of the fund's return taking into account the total risk which the fund has had during the period. Calculated as the ratio between the fund's return minus the risk-free rate of return and the fund's total risk (standard deviation). The information is based on monthly data and relates to the latest 24 months. |
| Total Risk | Given as the standard deviation of variations in the total return of the fund or index. The information is based on monthly data and relates to the latest 24 months. |
| Tracking Error | A measure which describes how closely the performance of the fund tracks the performance of the benchmark index. Calculated as the standard deviation of the difference between the return on the fund and a benchmark index. The information is based on monthly data and relates to the latest 24 months. |
| Information Ratio | A measure of risk-adjusted return. This is measured as the active return divided by the portfolio's active risk. The information is based on monthly data and relates to the latest 24 months. |
| Alpha | Describes the effect of the portfolio manager's decisions on the return of the fund. A positive alpha value is the extra return which an investor receives for having taken greater risks than the market. The information is based on monthly data and relates to the latest 24 months. |
| Beta | Describes the sensitivity of the fund's value to changes in the market's value. The beta value reports how much the fund's value changes in percentage terms when the market's value changes by one percentage point. The information is based on monthly data and relates to the latest 24 months. |