

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 key investor information document and prospectus can be found at www.lannebofonder.se.

The fund's investment policy

Lannebo Småbolag is an actively managed equity fund that invests in small and medium sized enterprises listed in the Nordic region, primarily in Sweden. The fund invests in companies with a market capitalisation amounting to a maximum of 1 percent of the total Swedish market capitalisation. At the end of the first half year 2015, this meant a market capitalisation of around SEK 57 billion.

The fund targets those who:

- want to invest in small and medium-sized companies listed on the Swedish and other Nordic stock markets
- want an actively managed fund with investments based on a clear understanding of each individual company

Fund manager comment

The focal point in October was the release of the Q3 earnings reports, and an overview of the Swedish reports lead to a number of reflections. Banks were negatively affected by the low interest rates, while currency effects for manufacturing companies were increasingly less positive. Geographically, developments in Europe provided a positive surprise, whereas North America was generally weaker and Asia - particularly China - remained weak. In the Nordic, demand was good in Sweden and Denmark, while Finland remained weak and Norway deteriorated in the wake of lower oil prices. In addition, demand from the automotive industry - cars and trucks - was good, although demand from the oil & gas and the metal & mining industries were at a low level. A new theme found in the interim reports was comments regarding weaker demand from general industry. Companies also remarked on customers reducing their inventories, together with a certain level of price pressure. However, during the month central banks continued their expansive monetary policies, including China announcing increased stimulus by lowering key interest rates. Another telling example is that in 14 European countries the two-year government bond rates were negative. The cost of money has never been so low.

October was a strong month for equity markets. MSCI World increased by 7.7 per cent and the S&P 500 increased 8.4 per cent. Euro STOXX 50 performed well and recorded a 10.4 per cent increase. In Stockholm, the SIXPRX increased by 6.9 per cent and the small cap index, CSRX, once again performed comparatively better with an increase of 8.7 per cent. Lannebo Småbolag rose by 7.7 per cent in October.

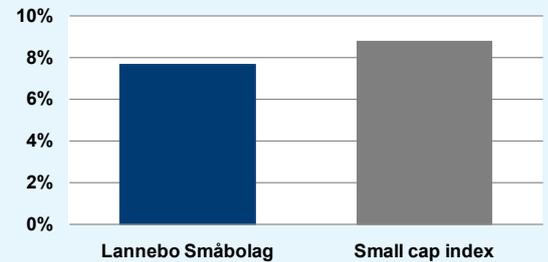
The Q3 earnings reports for the fund's holdings were generally better than expected. Trelleborg managed to maintain margins in an impressive

way even though demand is still falling slightly. The share rose following the release of the report. BillerudKorsnäs, Tomra Systems, XXL and Huhtamaki also released good earnings reports. Tomra Systems benefited from the replacement of the installed base of RVM's in Germany, which has now commenced. Sales of sorting machines for food and recyclables also developed well in the quarter. Huhtamäki's earnings were good in most segments, even if North America dominated, while growth was weaker in India and, in particular, China. However, compared to the Q3(14) earnings increased by 55 per cent. XXL's good development was driven by Sweden and Finland, where new store openings had a positive impact on sales and earnings. Reports that did not live up to market expectations were Addtech and Sweco, which were both affected by the slowdown in the Norwegian economy, as well as Lindab and Fagerhult.

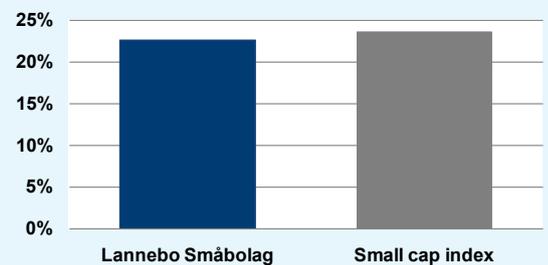
Holdings that developed well during October were the two packaging companies, Billerud-Korsnäs and Huhtamaki, and the subcontractor Gränges. Kambi, Recipharm and Lindab developed poorly during the period.

The fund participated in the IPO of Bravida, a company that provides electrical, heating and ventilation installation services. Bravida has a good financial history and the company managed the tough years of 2008-2009 well. The company is a leading player in a fragmented market, and can grow through acquisitions. The holdings in Latour and Trelleborg were marginally reduced.

Performance for the month



Performance year-to-date



Performance, %	Lannebo Småbolag	Small cap index
October 2015	7.7	8.7
Year-to-date 2015	22.6	23.5
3 years	128.4	116.4
5 years	120.9	124.0
10 years	289.4	259.0
Since inception (08/04/2000)	750.2	491.7
Average annual return 24 months	25.4	25.3

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
6.4	6.6	1.5	1.2	2.4	-6.5
Jul	Aug	Sep	Oct	Nov	Dec
6.4	-2.8	-1.4	7.7		

Annual performance, %	Lannebo Småbolag*	Small cap index
2014	22.5	21.6
2013	44.0	36.6
2012	9.7	12.6
2011	-15.7	-13.2
2010	31.2	30.6

* The annual performance of the fund is calculated from the NAV per unit in the final accounts.

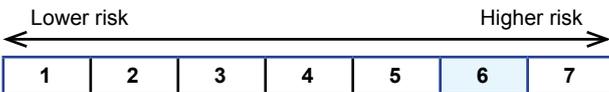
10 largest holdings

Holding	% of the portfolio
Huhtamäki	6.9
Unibet SDB	4.7
Trelleborg B	4.5
NIBE Industrier B	3.8
NetEnt B	3.6
Castellum	3.6
Addtech B	3.3
Securitas B	3.3
Nobia	3.2
NCC B	3.0
Total 10 largest holdings	39.8
Cash	6.5
Total number of holdings	43

Major changes during the month

Buy	Sell
Bravida	Latour
	Trelleborg

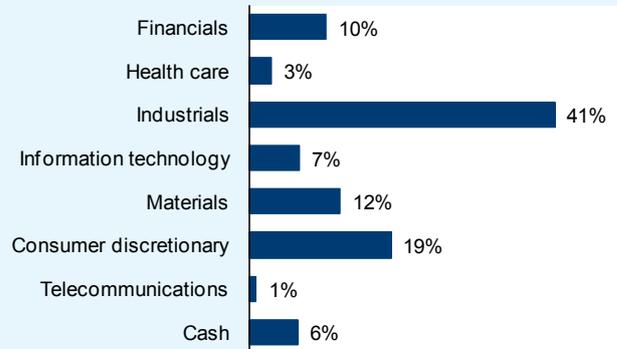
Risk and reward profile



Fund facts

Fund manager	Johan Ståhl
Launch date	08/04/2000
NAV per unit, SEK	70.04
Fund size, SEK millions	17,497
Management fee	1.6%
Bankgiro	5563-4620
ISIN	SE0000740698
Trading frequency	Daily
Minimum investment amount	100 SEK
PPM number	842 690
Supervisory authority	Finansinspektionen

Sector allocation



Financial ratios

	Lannebo Småbolag	Small cap index
Sharpe ratio	1.9	1.6
Total risk, %	12.6	14.6
Tracking error	5.2	
Information ratio	0.0	
Alfa	0.4	
Beta	0.8	
Active share, %	62	
Portfolio turnover ratio 06/30/2015	0.2	

Explanations

Small cap index	Carnegie Small Cap Sweden Return Index. The unit price of the fund is set before the price of the index is calculated. This can sometimes result in a misleading comparison between the two.
Sharpe ratio	A measure of the fund's return taking into account the total risk 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 that 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.
Active share	A measure of the proportion of the portfolio that differ from the benchmark.