

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 Select is an actively managed equity fund (non-UCITS 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 no more than 1 percent of the total Swedish market capitalisation. At the end of 2015, this meant a market capitalisation of around SEK 58 billion. The fund has more flexible investment rules than an traditional equity fund, which gives the fund manager more options.

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 Swedish equity market continued to recover in March. The European Central Bank announced further stimulus measures during the month, which had a positive effect on the market. Lannebo Småbolag Select recorded a positive development and fared even better than the broader small-cap segment.

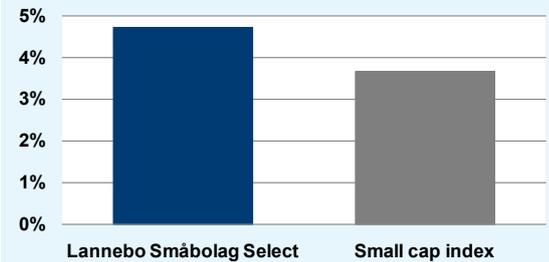
During the month of March there was a shortage of corporate news releases. The Funds top performing shares were nonetheless refrigeration wholesaler Beijer Ref and installation company Bravida. The price performance of spare parts chain Mekonomen was also positive. During the company's Capital Markets Day Mekonomen announced, among other things, that they will centralize the main warehouses in Sweden. This means a merger of two warehouses that long-term will lead to significant cost savings. There were no shareholdings that stood out for negative performance.

Telecommunications operator Tele2 is a new holding. Tele2 is active in a number of European countries, but the most valuable operations are in Sweden and the Baltics. Our assessment is that the value of these two units is broadly equivalent to Tele2's total market capitalization. This means that at the current share price a number of businesses are valued close to zero, which we believe is incorrect. In March the Fund divested its longstanding holding in Wihlborgs Fastigheter. The company's property portfolio is concentrated in the Öresund region, which is located in Southern Sweden, where Malmö is the largest submarket. Wihlborgs Fastigheter in itself has a strong position in their markets, but the real estate market in Malmö is tough given the abundant supply of new

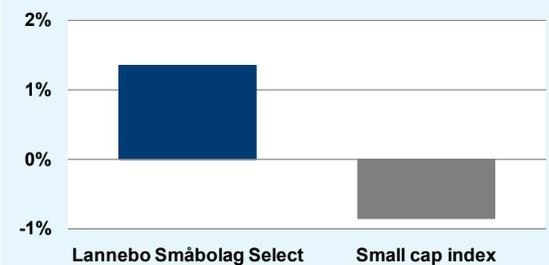
office properties. The holding in Granges was also divested. Granges manufactures rolled aluminium and the company is dependent on the global development of light vehicle production. Moreover, Granges is sensitive to the USD as the company benefits from a strong USD versus the SEK. The fund also divested all shares in the gaming company Unibet, a share that performed sensationally in 2015.

The market has now regained most of the decline from January. We maintain our cautious view on the market in general. 2016 may prove to be a mediocre year following the strong equity market for the small cap segment during 2013-2015. Increased corporate profits should be a prerequisite for a positive market performance. Q4 earnings for 2015 revealed higher profits. Whether profits have continued to increase will be disclosed towards the end of April when Q1 2016 interim reports are published.

Performance for the month



Performance year-to-date



Performance, %	Lannebo Småbolag Select	Small cap index
March 2016	4.7	3.7
Year-to-date 2016	1.3	-0.9
3 years	85.1	88.9
5 years	98.1	107.7
10 years	234.3	179.4
Since inception (10/31/2000)	904.7	530.3
Average annual return 24 months	17.4	20.2

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-5.4	2.3	4.7			
Jul	Aug	Sep	Oct	Nov	Dec

Annual performance, %	Lannebo Småbolag Select*	Small cap index
2015	20.4	30.1
2014	24.1	21.6
2013	36.7	36.6
2012	12.6	12.6
2011	-13.8	-13.2

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

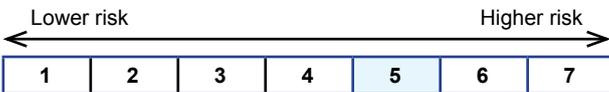
10 largest holdings

Holding	% of the portfolio
OEM International B	6.5
Mekonomen	5.6
Beijer Ref B	5.5
Munksjö	5.2
Fabege	4.3
Sweco B	4.2
Tomra Systems	3.9
Fagerhult	3.9
Vitrolife	3.8
Nobia	3.6
Total 10 largest holdings	46.5
Cash	6.6
Total number of holdings	30

Major changes during the month

Buy	Sell
Tele2	Wihlborgs
Dometic	Gränges
	Unibet

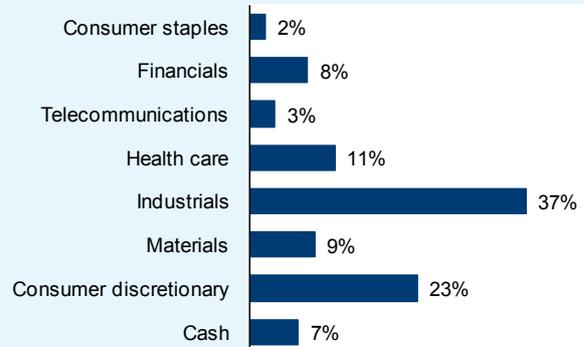
Risk and reward profile



Fund facts

Fund manager	Mats Gustafsson
Launch date	10/31/2000
NAV per unit, SEK	953.25
Fund size, SEK millions	2,652
Management fee	0.7% + 20% of any excess return
Return threshold	30-day STIBOR, monthly on the first banking day of each month, plus three percentage points, currently 3.00%
ISIN	SE0000917205
Trading frequency	The fund is closed for subscriptions
Minimum investment amount	The fund is closed for subscriptions
Supervisory authority	Finansinspektionen

Sector allocation



Financial ratios

	Lannebo Småbolag Select	Small cap index
Sharpe ratio	1.5	1.2
Total risk, %	10.8	16.2
Tracking error	7.8	
Information ratio	-0.4	
Alfa	0.4	
Beta	0.6	
Active share, %	82	
Portfolio turnover ratio 12/31/2015	0.4	

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.