

### 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](http://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, particularly 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 2014, this meant a market capitalisation of around SEK 53 billion.

### Fund Manager's Comments

Looking back to the start of 2014 and reading the first monthly report of the year, we are struck with how quickly time passes and just how easy it is to forget the events that took place during the year. Twelve months ago currency unrest took place in several developing markets and the Turkish Central Bank, among others, was forced to raise interest rates to defend the Lira. Today, the big currency shake up is Russia where the Ruble has fallen by nearly 50 percent against the dollar. We've also seen major price changes in other asset classes. In late 2013 the price of oil was about \$110/barrel and the Swedish ten-year rate was 2.5 percent, but at year-end 2014 the corresponding rates were under \$60 and 0.9 percent. Most of the world's equity markets performed strongly during the year, the World Index and the S&P 500 increased by 9.9 and 13.7 percent respectively. The Stockholm Stock Exchange, which proved once again what a fantastic market it is, increased by 15.9 percent. Thankfully, the stock market increase was partly profit-driven, where corporate profits increased for the first time since 2011. The after tax profits for 2014 are forecast to reach 325 billion SEK, compared with 290 billion SEK in 2013 - an increase of 10 percent.

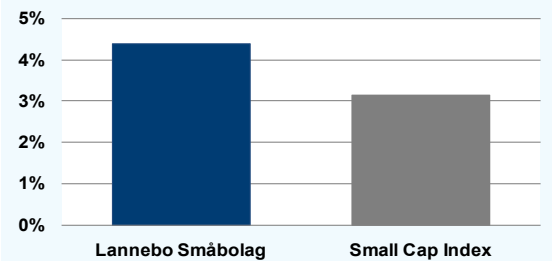
During the last trading month of 2014, global stock markets developed weaker. The MSCI World and the S&P 500 fell by 0.9 and 0.3 percent, respectively. In Europe, the Euro STOXX 50 fell by 3 percent. Stockholm (SIXPRX) recorded an increase of 1.1 percent and small caps rose by 3.1 percent (CSRX). Lannebo Småbolag increased by 4.4 percent during December.

Shares in the real estate company Hemfosa continued to develop positively and reached a new share price record. During December,

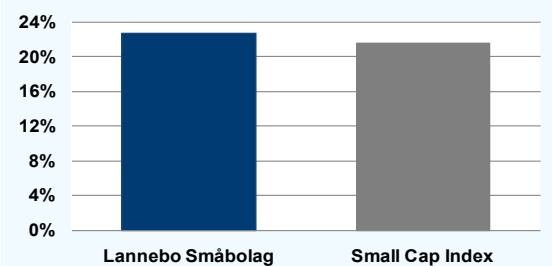
Hexpol bought two American companies, Portage Precision Polymers and RheTech, with corresponding sales of \$30 million and \$120 million. The acquisitions were hailed by the stock market. The shares in Tomra, the Norwegian manufacturer of recycling machines, bounced back after a few months under pressure. Net Entertainment's shares continued upwards. Moreover, the share price doubled during 2014 driven by board member share purchases. Holdings with weaker price development were Beijer Ref, Sweco and Lindab. Possible justifications for the negative price trend for the latter two could be attributed to budget problems in Sweden (Sweco) and the Russian crisis (Lindab).

During December, the holdings in Castellum and Sweco were increased. Castellum's share price has not kept up with the fund's other real estate holdings. Since the management company was listed in 1997, the dividend has been increased every year and the leverage is low relative to other real estate companies. Sweco's share price performed poorly and we think it was a good opportunity to increase the holding. All shares in Norwegian Opera Software have been divested on the grounds of valuation, and the holdings in Holmen and Indutrade have been reduced.

### Performance for the Month



### Performance Year-to-Date



### Performance, %

	Lannebo Småbolag	Small Cap Index
December 2014	+4.4	+3.1
Year-to-Date 2014	+22.7	+21.6
3 Years	+94.3	+87.1
5 Years	+114.1	+112.0
10 Years	+309.5	+278.0
Since Inception (08/04/2000)	+593.2	N/A
Average Annual Return 24 Months	+33.1	+28.9

*The unit price for Lannebo Småbolag 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
-0.6	+7.2	+0.4	+3.1	+4.6	+0.4
Jul	Aug	Sep	Oct	Nov	Dec
-2.2	-0.1	-2.9	+4.1	+2.7	+4.4

### Key Figures

	Lannebo Småbolag	Small Cap Index
Sharpe Ratio	2.7	2.2
Total Risk, %	10.7	11.7
Tracking Error	3.2	
Information Ratio	1.3	
Alpha	0.5	
Beta	0.9	
Active Share, %	60	

### Major Changes

Net Purchases	Net Sales
Castellum	Opera Software
Sweco	Holmen
	Indutrade

# Lannebo Småbolag

## Swedish-registered Equity Fund

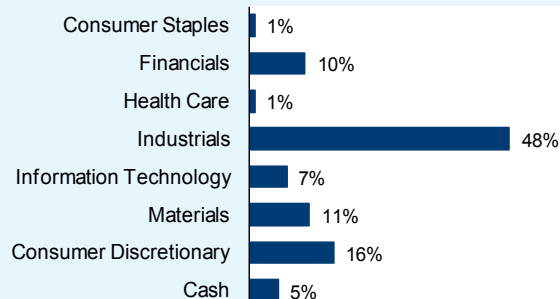
### Monthly Report December 2014

#### Major Holdings

Name of Securities	Share of Net Assets (%)	
	31 Dec	30 Nov
Trelleborg B	5.6	5.5
NIBE Industrier B	4.9	5.1
Indutrade	4.8	5.1
Huhtamäki	4.6	4.4
Unibet SDB	4.3	4.2
Addtech B	3.5	3.7
Holmen B	3.5	3.7
Intrum Justitia	3.4	3.7
Castellum	3.2	2.9
BillerudKorsnäs	3.1	3.2
Hemfosa Fastigheter	3.0	2.8
Husqvarna	3.0	3.0
Securitas B	2.8	2.8
Lindab	2.3	2.6
NCC B	2.3	2.2
Latour B	2.3	2.4
Sweco B	2.3	2.3
NKT Holding	2.2	2.3
Net Entertainment B	2.2	2.1
Cash	5.5	4.3

<b>Total Number of Holdings</b>	43	46
<b>Ten Largest Holdings, % of Net Assets</b>	40.8	41.4

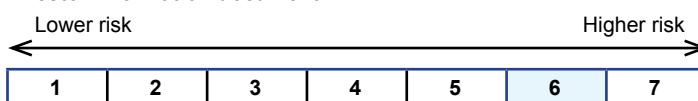
#### Allocation of Portfolio



#### Annual Performance, %

	Lannebo Småbolag	Small Cap Index
2013	+44.0	+36.6
2012	+9.7	+12.6
2011	-15.7	-13.2
2010	+31.2	+30.6
2009	+63.4	+68.9

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



#### Fund Facts

<b>Strategy</b>	Equity Fund, Small Caps, Nordic Region
<b>Investment Objectives</b>	Good Risk-adjusted Return
<b>Launch Date</b>	04/08/2000
<b>Launch Price</b>	10.00
<b>NAV per unit, end of month, SEK</b>	57.11
<b>Net asset value, end of month, SEK millions</b>	15,360
<b>Benchmark Index</b>	Carnegie Small Cap Sweden Return Index
<b>Bankgiro</b>	5563-4620
<b>ISIN</b>	SE0000740698
<b>Management Company</b>	Lannebo Fonder AB
<b>Fund Manager</b>	Johan Ståhl
<b>Depository</b>	SEB
<b>Supervisory Authority</b>	Swedish Financial Supervisory Authority
<b>Auditor</b>	Deloitte
<b>Publication of NAV per unit</b>	Daily
<b>Management Fee</b>	1.6%
<b>Subscription/Redemption</b>	Daily
<b>PPM Number</b>	842 690
<b>Portfolio Turnover Ratio</b>	0.3 (06/30/2014)

#### Explanations

<b>Small Cap Index</b>	Carnegie Small Cap Sweden Return Index.
<b>Sharpe Ratio</b>	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.
<b>Total Risk</b>	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.
<b>Tracking Error</b>	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.
<b>Information Ratio</b>	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.
<b>Alpha</b>	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.
<b>Beta</b>	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.
<b>Active Share</b>	A measure of the proportion of the portfolio that differ from the benchmark index.