

FONDITA NORDIC MICRO CAP INVESTMENT FUND

ANNUAL REPORT

31.12.2017

FONDITA NORDIC MICRO CAP INVESTMENT FUND

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Activity Report 2017

The Fondita Nordic Micro Cap Investment Fund began operations on August 29, 2006. It mainly invests in shares of publicly traded micro cap companies in North European countries.

The development of the fund is described in the following table:

	2017	2016	2015
Market value 31.12.	278 977 621,17	274 106 791,21	308 824 866,57
Unit value 31.12. (return / A)	181,89	178,90	181,73
Unit value 31.12. (growth / B)	316,43	296,36	283,54
Growth unit price change during period	6,8 %	4,5 %	31,9 %
Fiscal period profit	19 592 620,18	10 667 627,41	75 442 524,42
Management fees paid to Fund Company	5 894 726,40	5 479 295,80	5 525 114,68
A-unit returns	8,95	9,10	7,25
Turnover rate (times/year)	0,29	0,17	0,34
Volatility (%/year)	9,4	16,2	15,7
TER (Total Expense Ratio)	2,00 %	2,00 %	2,00 %
Number of unitholders at end of period	531	490	467

During the year the fund has not participated in any shareholders' general meetings. Thereby the right to vote has not been used.

The Board of Directors suggested that the A-units return will be 9,10 € / share. The return is paid on February 8, 2018.

The Fund Company has during 2017 paid 1 791 800,97 euros in remuneration to the employees whereof 11 518,76 euros in variable remuneration.

executive management (CEO, deputy CEO and chairman of the board)
659 733,00 euros, no variable part

risk requiring actions (portfolio managers)
637 550,60 euros, no variable part

those who manage the internal supervisory functions (all members of the Risk Control Function, Compliance Function and Internal Control Function)
656 149,93 euros, no variable part

Note that some people may belong to several groups

INCOME STATEMENT 1.1.2017-31.12.2017

(euros)

	1.1.-31.12.2017	1.1.-31.12.2016
REVENUE		
Net profit from securities	18 487 110,98	9 823 395,06
Dividends	<u>7 000 235,60</u>	<u>6 323 814,57</u>
Total revenue	<u>25 487 346,58</u>	<u>16 147 209,63</u>
COSTS		
Commissions		
to the Fund Company	5 894 726,40	5 479 295,80
Interest fees	<u>9 348,19</u>	<u>286,42</u>
Total Costs	<u>5 904 074,59</u>	<u>5 479 582,22</u>
FISCAL PERIOD PROFIT	<u>19 583 271,99</u>	<u>10 667 627,41</u>

BALANCE SHEET 31.12.2017

(euros)

ASSETS	31.12.2017	31.12.2016
Current assets		
Current assets		
Market value of securities	276 239 469,84	272 859 418,40
Receivables		
Accruals	0,00	3 575,00
Sold securities	882 531,57	0,00
Cash and bank deposits	3 863 091,49	1 689 946,85
TOTAL ASSETS	<u>280 985 092,90</u>	<u>274 552 940,25</u>
 LIABILITIES AND SHAREHOLDER EQUITY		
	31.12.2017	31.12.2016
Fund value		
Fund value	278 977 621,17	274 106 791,21
Liabilities		
Current liabilities		
Purchased securities	1 576 115,70	0,00
Accruals	431 356,03	446 149,04
TOTAL LIABILITIES AND EQUITY	<u>280 985 092,90</u>	<u>274 552 940,25</u>

Fondita Nordic Micro Cap Investment Fund

Portfolio content 31.12.2017

Sweden	Business Area	No. of shares	Price (euro)	Market value	49,42 %
Hexatronic Group	Network & fiber solutions	1 800 000	7,80	14 043 344,79	5,03 %
Bufab Holding	C-components	1 158 000	10,78	12 477 687,19	4,47 %
Evolution Gaming	IT solutions	170 000	59,01	10 031 614,04	3,60 %
Ambea	Healthcare services	1 300 000	7,55	9 812 043,83	3,52 %
Nederman Holding	Air purification products	400 000	24,04	9 616 362,05	3,45 %
Systemair	Ventilation products	650 000	12,68	8 242 777,56	2,95 %
Proact IT Group	IT services	434 000	18,30	7 941 122,65	2,85 %
Cavotec	Engineering	3 293 000	2,38	7 832 984,33	2,81 %
Alimak Group	Elevator solutions	596 752	12,99	7 749 513,90	2,78 %
Recipharm B	Pharmaceutical production & development	676 000	10,01	6 768 658,39	2,43 %
Beijer Alma B	Engineering	212 000	26,73	5 667 757,74	2,03 %
HiQ International	IT consulting	893 823	6,33	5 656 014,98	2,03 %
THQ Nordic	Video games	692 000	8,08	5 592 331,31	2,00 %
Momentum Group	Industrial components	480 000	11,39	5 464 858,60	1,96 %
Concentric	Fuel pumps	350 000	15,45	5 407 932,99	1,94 %
Fenix Outdoor Int.	Consumer products	50 000	99,31	4 965 742,98	1,78 %
Rejlers	Technical consulting	868 000	5,72	4 963 201,66	1,78 %
Duni	Table setting supplier	256 463	12,40	3 180 564,58	1,14 %
Clavister Holding	IT security	1 010 000	2,43	2 453 798,77	0,88 %
Finland	Business Area	No. of shares	Price (euro)	Market value	31,77 %
Caverion	Real estate technology	1 675 000	5,90	9 882 500,00	3,54 %
Olvi	Brewery	320 000	29,92	9 574 400,00	3,43 %
Robit	Industrial technology	1 400 000	6,40	8 960 000,00	3,21 %
Kamux	Car retail	1 225 000	7,00	8 575 000,00	3,07 %
Detection Technology	X-ray technology	480 000	17,78	8 534 400,00	3,06 %
Basware	IT products	180 000	46,97	8 454 600,00	3,03 %
Lehto Group	Building services	660 000	12,57	8 296 200,00	2,97 %
Verkkokauppa.com	E-commerce	1 026 000	7,19	7 376 940,00	2,64 %
Pihlajalinna	Healthcare services	554 000	13,18	7 301 720,00	2,62 %
Oriola	Pharmaceutical distribution	2 225 000	2,80	6 230 000,00	2,23 %
Bittium	Electronics	567 000	5,70	3 231 900,00	1,16 %
Consti	Repairing services	260 000	8,52	2 215 200,00	0,79 %

Norway	Business Area	No. of shares	Price (euro)	Market value	12,37 %
Europris	Lowprice retail	2 430 000	3,40	8 254 630,15	2,96 %
Gaming Innovation	IT and technology services	14 000 000	0,51	7 090 914,64	2,54 %
Protector Forsikring	Insurance	752 000	9,10	6 845 193,90	2,45 %
Ekornes	Furniture	550 000	12,00	6 600 693,63	2,37 %
Data Respons	Digitalisation services	2 350 000	2,43	5 712 295,19	2,05 %

Others	Business Area	No. of shares	Price (euro)	Market value	5,46 %
Novo Nordisk B (DK)	Pharmaceuticals	100 000	44,84	4 483 666,45	1,61 %
Nordea (FI)	Bank	345 000	10,13	3 494 850,00	1,25 %
Stora Enso R (FI)	Packaging & paper industry	250 000	13,27	3 317 500,00	1,19 %
Cargotec (FI)	Marine & harbour solutions	60 000	47,65	2 859 000,00	1,02 %
Autoliv (SE)	Car safety products	10 000	107,96	1 079 553,54	0,39 %

Portfolio value 276 239 469,84

Cash and other asset, net 2 738 151,33 0,98 %

Fund value 278 977 621,17

Number of outstanding units

Return units (A)	252 350,4825	
Growth units (B)	733 435,1067	<u>985 785,5892</u>

Unit value

Return unit price	181,8875
Growth unit price	316,4254

Fondita Nordic Micro Cap Investment Fund

Securities' change in portfolio 1.1.-31.12.2017

(%-units)

Finland	-6,2	Sweden	2,1
Kamux	3,1 *	Hexatronic Group	5,0 *
Lehto Group	0,7 *	Ambea	3,5 *
Detection Tech.	0,6 *	Alimak Group	2,8 *
Robit	0,3 *	Momentum Group	2,0 *
Olvi	0,2 *	THQ Nordic	1,8 *
Bittium	0,0 *	Clavister Holding	0,9 *
Verkkokauppa.com	-0,1 *	Evolution Gaming	0,8 *
Consti	-0,6 *	Nederman Holding	0,6 *
Exel Composites	-0,6	Cavotec	0,1 *
Basware	-1,1 *	Proact IT Group	0,0 *
Caverion	-1,3 *	Rejlers	-0,1 *
Oriola B	-1,3 *	Bufab Holding	-0,2 *
Pihlajalinna	-1,4 *	Duni	-0,4 *
PKC Group	-2,2	Recipharm B	-0,4 *
Cramo	-2,4	Beijer Alma B	-0,5 *
		Systemair	-0,5 *
Norway	1,7	Concentric	-0,6 *
Gaming Innovation	2,5 *	LeoVegas	-1,0
Data Respons	2,1 *	HiQ International	-1,3 *
Protector Forsikring	0,1 *	Inwido	-2,0
Europris	0,0 *	Lagercrantz Group	-2,2
Ekornes	-0,4 *	Fenix Outdoor Int.	-2,9 *
Borregaard	-2,6	B&B Tools	-3,2
		Cash	0,5
Others	1,9		
Stora Enso (FI)	1,2 *		
Novo Nordisk (DK)	0,9 *		
Nordea (FI)	0,6 *		
Cargotec (FI)	-0,2 *		
Autoliv (SE)	-0,6 *		

* = Remaining in portfolio 31.12.2017

INCOME STATEMENT APPENDIX 31.12.2017

(euros)

	31.12.2017	31.12.2016
Net profit of securities		
Sales profit of securities	(-) 46 198 181,06	41 152 486,18
Sales losses of securities	2 269 336,36 (-)	3 857 404,37
Unrealized gains	(-) 25 296 055,84	19 500 654,91
Unrealized losses	50 737 789,56 (-)	46 972 341,66
Total	<u>18 487 110,98</u>	<u>9 823 395,06</u>
Transactioncosts	283 981,66	294 195,79

BALANCE SHEET APPENDIX 31.12.2017

Fund value

Fund value 1.1.	274 106 791,21	308 824 866,60
Unit subscriptions	(-) 24 740 559,18	13 601 657,38
Unit redemptions	(-) 37 302 203,08 (-)	56 454 989,99
Distribution of returns	2 150 798,13 (-)	2 532 370,16
Fiscal year profits	19 583 271,99	10 667 627,41
Fund value 31.12.	<u>278 977 621,17</u>	<u>274 106 791,21</u>