

FONDITA EUROPEAN MICRO CAP INVESTMENT FUND

ANNUAL REPORT

31.12.2019

FONDITA EUROPEAN MICRO CAP INVESTMENT FUND

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Activity Report 2019

Fondita European Micro Cap Investment Fund began operations on March 7, 2017.
The fund mainly invests in shares of publicly traded small cap companies in Europe.

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

	2019	2018	2017
Market value 31.12.	37 011 526,02	44 206 813,24	51 856 163,07
Unit value 31.12. (return / A)	108,19	90,28	124,17
Unit value 31.12. (growth / B)	118,98	94,99	124,17
Growth unit price change during period	25,3 %	-23,5 %	24,2 %
Fiscal period profit	9 668 341,78	-14 288 687,56	6 791 488,59
Management fees paid to Fund Company	801 642,56	1 176 690,95	629 686,97
A-unit returns	4,50	6,20	-
Turnover rate (times/year)	0,33	0,31	-
Volatility (%/year)	10,8	15,6	10,2
TER (Total Expense Ratio)	2,00 %	2,00 %	2,00 %
Number of unitholders at end of period	230	259	246

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 5,40 € / share.

The return is paid on February 12, 2020.

The Fund Company has during 2019 paid 1 648 327,46 euros in remuneration to the employees whereof 0,00 euros in variable remuneration.

executive management (CEO, deputy CEO and chairman of the board)

712 034,96 euros, no variable part

risk requiring actions (portfolio managers)

808 015,70 euros, no variable part

those who manage the internal supervisory functions (all members of the Risk Control Function, Compliance Function and Internal Control Function)

631 010,96 euros, no variable part

Note that some people may belong to several groups

INCOME STATEMENT 1.1.2019-31.12.2019

(euros)

REVENUE	1.1.-31.12.2019	1.1.-31.12.2018
Net profit from securities	9 802 374,51	-14 115 850,55
Dividends	669 505,71	1 006 538,20
Total revenue	<u>10 471 880,22</u>	<u>-13 109 312,35</u>
COSTS		
Commissions to the Fund Company	801 642,56	1 176 690,95
Interest fees	1 895,88	2 684,26
Total Costs	<u>803 538,44</u>	<u>1 179 375,21</u>
FISCAL PERIOD PROFIT	<u>9 668 341,78</u>	<u>-14 288 687,56</u>

BALANCE SHEET 31.12.2019

(euros)

ASSETS	31.12.2019	31.12.2018
Current assets		
Current assets		
Market value of securities	36 664 215,84	43 440 970,33
Receivables		
Dividends	0,00	1 892,04
Accruals	<u>0,00</u>	<u>1 892,04</u>
Cash and bank deposits	411 448,51	1 041 657,09
TOTAL ASSETS	<u>37 075 664,35</u>	<u>44 484 519,46</u>
 LIABILITIES AND SHAREHOLDER EQUITY		
	31.12.2019	31.12.2018
Fund value		
Fund value	37 011 526,02	44 206 813,24
 Liabilities		
Current liabilities		
Purchased securities	0,00	201 480,03
Accruals	<u>64 138,33</u>	<u>76 226,19</u>
	64 138,33	277 706,22
TOTAL LIABILITIES AND EQUITY	<u>37 075 664,35</u>	<u>44 484 519,46</u>

Fondita European Micro Cap Investment Fund

Portfolio content 31.12.2019

Germany	GICS	Shares	Price (euro)	Market value	64,64 %
Datagroup	IT	42 060	65,40	2 750 724,00	7,43 %
Medios	Health Care	99 848	26,40	2 635 987,20	7,12 %
Nexus	Health Care	57 417	34,60	1 986 628,20	5,37 %
Adesso	IT	30 659	53,50	1 640 256,50	4,43 %
S & T	IT	74 098	21,28	1 576 805,44	4,26 %
Stratec Biomedical	Health Care	23 133	61,00	1 411 113,00	3,81 %
Eckert & Ziegler	Health Care	7 000	190,60	1 334 200,00	3,60 %
Steico	Industrials	42 173	27,40	1 155 540,20	3,12 %
Dr. Hönle	Industrials	25 869	44,20	1 143 409,80	3,09 %
Secunet	IT	8 000	140,00	1 120 000,00	3,03 %
Nabaltec	Materials	32 507	33,00	1 072 731,00	2,90 %
KPS	IT	147 652	7,23	1 067 523,96	2,88 %
Cewe	Industrials	7 800	105,80	825 240,00	2,23 %
MBB SE	Industrials	11 471	71,10	815 588,10	2,20 %
MAX Automation	Industrials	171 564	4,59	787 478,76	2,13 %
Deutsche Konsum Reit	Real Estate	44 000	15,90	699 600,00	1,89 %
Centrotec Sustainable	Industrials	40 952	16,46	674 069,92	1,82 %
Einhell Germany	Consumer Discretionary	10 937	59,80	654 032,60	1,77 %
Cyan	IT	27 758	20,70	574 590,60	1,55 %
Switzerland	GICS	Shares	Price (euro)	Market value	14,08 %
Coltene Holding	Health Care	22 769	81,86	1 863 834,07	5,04 %
Kardex	Industrials	10 400	150,26	1 562 684,37	4,22 %
Gavazzi	Industrials	5 034	239,68	1 206 526,55	3,26 %
Orior	Consumer Staples	7 000	82,50	577 525,81	1,56 %
Netherlands	GICS	Shares	Price (euro)	Market value	5,90 %
Nedap	IT	31 687	48,60	1 539 988,20	4,16 %
Accell Group	Consumer Discretionary	24 841	25,85	642 139,85	1,73 %
Italy	GICS	Shares	Price (euro)	Market value	5,72 %
Eurotech	IT	145 000	8,43	1 222 350,00	3,30 %
Indel	Consumer Discretionary	41 180	21,70	893 606,00	2,41 %
Great britain	GICS	Shares	Price (euro)	Market value	4,24 %
Emis	Health Care	77 164	13,02	1 004 437,41	2,71 %
Marlowe	Industrials	95 000	5,96	566 406,25	1,53 %
Large companies	GICS	Shares	Price (euro)	Market value	4,48 %
Roche	Health Care	900	289,45	260 508,85	0,70 %
Fresenius SE	Health Care	4 500	50,18	225 810,00	0,61 %
Verbund	Energy	5000	44,74	223 700,00	0,60 %
Philips	Health Care	5 000	43,52	217 600,00	0,59 %
Johnson Matthey	Materials	6 000	35,20	211 184,21	0,57 %
Umicore	Industrials	4 500	43,36	195 120,00	0,53 %
Lonza Group	Health Care	500	325,59	162 794,99	0,44 %
Infineon Technologies	IT	8 000	20,31	162 480,00	0,44 %
Portfolio value				36 664 215,84	
Cash and other asset, net				347 310,18	0,94 %
Fund value				37 011 526,02	
Number of outstanding units					
Return units (A)			133 005,4645		
Growth units (B)			190 127,2526	323 132,7171	
Unit value					
Return unit value (A)				108,1868	
Growth unit value (B)				118,9839	

Fondita European Micro Cap Investment Fund

Securities' change in the portfolio 1.1.-31.12.2019

(%-points)

Germany	9,7	Netherlands	-2,2
Medios	3,7 *	Accell Group	0,8 *
Steico	3,1 *	Unilever	-0,9
Secunet	3,0 *	Nedap	-2,1 *
Cewe	2,2 *		
Datagroup	2,1 *	Great Britain	-3,0
Deutsche Konsum Re:	1,9 *	Marlowe	1,5 *
S & T	1,4 *	Emis	0,6 *
KPS	1,3 *	Croda	-1,1
Stratec Biomedical	0,9 *	Consort Medical	-4,1
Centrotec Sustainable	0,8 *		
MAX Automation	0,5 *	Italy	3,1
Nexus	0,3 *	Eurotech	3,3 *
Nabaltec	0,0 *	Indel	-0,3 *
Cyan	-0,1 *		
Dr. Hönle	-0,2 *	Spain	-0,7
Adesso	-0,7 *	Amadeus IT	-0,7
MBB	-1,0 *		
Linde	-1,1	Large Companies	1,4
SAF Holland	-1,2	Roche	0,7 *
Einhell Germany	-2,0 *	Verbund	0,6 *
Eckert & Ziegler	-2,3 *	Johnson Matthey	0,6 *
Technotrans	-3,0	Umicore	0,5 *
Voltabox		Infineon Technologies	0,4 *
		Fresenius SE	-0,3 *
Switzerland	-7,5	Philips	-0,6 *
Kardex	0,8 *	Lonza Group	-0,6 *
Gavazzi	-0,2 *		
Novartis	-1,1	Cash	-0,8
Coltene Holding	-1,3 *		
Orior	-2,7 *		
Hochdorf Holding	-3,1		
Alcon			

* = Current holding at 31.12.2019

INCOME STATEMENT APPENDIX 31.12.2019

(euros)

	31.12.2019	31.12.2018
Net profit of securities		
Sales profit of securities	5 432 759,63	2 655 340,83
Sales losses of securities	(-) 5 641 476,55	3 945 750,31
Unrealized gains	11 512 966,71	1 169 064,24
Unrealized losses	(-) <u>1 501 875,28</u>	<u>13 994 505,31</u>
Total	<u>9 802 374,51</u>	<u>-14 115 850,55</u>
Transactioncosts	79 681,95	82 515,04

BALANCE SHEET APPENDIX 31.12.2019

Fund value

Fund value 1.1.	44 206 813,24	51 856 163,07
Unit subscriptions	1 322 996,11	19 457 165,31
Unit redemptions	(-) 17 190 020,60	(-) 11 432 971,39
Distribution of returns	(-) 996 604,51	(-) 1 384 856,19
Fiscal year profits	<u>9 668 341,78</u>	<u>-14 288 687,56</u>
Fund value 31.12.	<u>37 011 526,02</u>	<u>44 206 813,24</u>

Helsinki 13/2 2020

CEO

A handwritten signature in black ink, appearing to read 'Markus Larsson', with a stylized, flowing script.

Markus Larsson

This is an unofficial translation of the original in Swedish.