

FONDITA EUROPEAN SMALL CAP INVESTMENT FUND

ANNUAL REPORT

31.12.2019

FONDITA EUROPEAN SMALL CAP INVESTMENT FUND

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Activity Report 2019

The Fondita European Small Cap Investment Fund began operations on May 19, 2009. It mainly invests in shares of publicly traded small and mid cap companies in Europe.

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

	2019	2018	2017
Market value 31.12.	90 589 515,80	76 174 220,05	102 735 042,41
Unit value 31.12. (return / A)	227,64	179,35	241,10
Unit value 31.12. (growth / B)	376,64	283,61	361,73
Growth unit price change during period	32,8 %	-21,6 %	22,3 %
Fiscal period profit	23 462 528,44	-21 071 056,57	17 506 880,86
Management fees paid to Fund Company	1 676 707,72	1 907 273,39	1 900 618,55
A-unit returns	8,95	12,05	10,35
Turnover rate (times/year)	0,29	0,18	0,20
Volatility (%/year)	12,8	14,6	10,3
TER (Total Expense Ratio)	2,00 %	2,00 %	2,00 %
Number of unitholders at end of period	386	414	421

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 11,40 € / 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	23 604 189,67	-20 714 986,21
Dividends	1 536 897,03	1 553 321,91
Total revenue	<u>25 141 086,70</u>	<u>-19 161 664,30</u>
COSTS		
Commissions		
to the Fund Company	1 676 707,72	1 907 273,39
Interest fees	1 850,54	2 118,88
Total Costs	<u>1 678 558,26</u>	<u>1 909 392,27</u>
FISCAL PERIOD PROFIT	<u>23 462 528,44</u>	<u>-21 071 056,57</u>

BALANCE SHEET 31.12.2019

(euros)

ASSETS	31.12.2019	31.12.2018
Current assets		
Current assets		
Market value of securities	90 224 472,52	75 099 006,96
Receivables		
Accruals	11 960,97	0,00
Cash and bank deposits	510 206,67	1 444 315,35
TOTAL ASSETS	<u>90 746 640,16</u>	<u>76 543 322,31</u>
LIABILITIES AND SHAREHOLDER EQUITY	31.12.2019	31.12.2018
Fund value		
Fund value	90 589 515,80	76 174 220,05
Liabilities		
Current liabilities		
Purchased securities	0,00	236 822,44
Accruals	157 124,36	132 279,82
	<u>157 124,36</u>	<u>369 102,26</u>
TOTAL LIABILITIES AND EQUITY	<u>90 746 640,16</u>	<u>76 543 322,31</u>

Fondita European Small Cap Investment Fund

Portfolio content 31.12.2019

Germany	GICS	Shares	Price (euro)	Market value	35,80 %
Dermapharm Holding	Health Care	124 918	39,75	4 965 490,50 €	5,48 %
CTS Eventim	Communication	85 524	56,05	4 793 620,20 €	5,29 %
MTU Aero Engines	Industrials	18 473	254,60	4 703 225,80 €	5,19 %
Stroeer	Communication	64 233	72,05	4 627 987,65 €	5,11 %
All For One Steeb	IT	64 867	52,00	3 373 084,00 €	3,72 %
Carl Zeiss Meditec	Health Care	28 642	113,70	3 256 595,40 €	3,59 %
Cancom	IT	53 700	52,60	2 824 620,00 €	3,12 %
Jenoptik	IT	88 000	25,48	2 242 240,00 €	2,48 %
Jungheinrich	Industrials	76 529	21,50	1 645 373,50 €	1,82 %
Switzerland	GICS	Shares	Price (euro)	Market value	16,72 %
Siegfried Holding	Health Care	11 400	432,34	4 928 650,44	5,44 %
Straumann Holding	Health Care	4 167	876,11	3 650 734,51	4,03 %
Huber + Suhner	Industrials	38 131	70,80	2 699 539,82	2,98 %
Dormakaba Holding	Industrials	3 829	638,37	2 444 305,40	2,70 %
Vifor Pharma	Health Care	8 730	162,84	1 421 602,60	1,57 %
Netherlands	GICS	Shares	Price (euro)	Market value	9,80 %
TKH Group	Industrials	60 753	49,60	3 013 348,80	3,33 %
IMCD	Industrials	38 191	77,95	2 976 988,45	3,29 %
Aalberts	Industrials	42 970	39,96	1 717 081,20	1,90 %
Corbion	Materials	25 000	28,30	707 500,00	0,78 %
SIF Holding	Industrials	37 791	12,36	467 096,76	0,52 %
Spain	GICS	Shares	Price (euro)	Market value	9,32 %
Construcciones	Industrials	94 931	41,00	3 892 171,00	4,30 %
Faes Farma	Health Care	500 200	5,01	2 506 002,00	2,77 %
Applus Services	Industrials	177 736	11,48	2 040 409,28	2,25 %
Italy	GICS	Shares	Price (euro)	Market value	6,78 %
Interpump Group	Industrials	109 931	28,24	3 104 451,44	3,43 %
Reply	IT	43 782	69,45	3 040 659,90	3,36 %
Portugal	GICS	Shares	Price (euro)	Market value	5,04 %
Altri	Materials	427 503	5,71	2 438 904,62	2,69 %
Corticeira Amorim	Materials	187 623	11,34	2 127 644,82	2,35 %
France	GICS	Shares	Price (euro)	Market value	4,77 %
Ingenico	IT	24 037	96,80	2 326 781,60	2,57 %
Akka Technologies	Industrials	30 394	65,60	1 993 846,40	2,20 %
Great Britain	GICS	Shares	Price (euro)	Market value	4,09 %
Polypipe Group	Industrials	341 470	6,34	2 166 280,55	2,39 %
Rathbone Brothers	Financials	61 477	25,02	1 538 369,48	1,70 %
Austria	GICS	Shares	Price (euro)	Market value	3,64 %
UBM Development	Real Estate	43 012	47,20	2 030 166,40	2,24 %
Andritz	Industrials	33 000	38,40	1 267 200,00	1,40 %
Belgium	GICS	Shares	Price (euro)	Market value	3,63 %
Barco	IT	15 000	219,50	3 292 500,00	3,63 %
Portfolio value				90 224 472,52	
Cash and other asset, net				365 043,28	0,40 %
Fund value				90 589 515,80	
Number of outstanding units					
Return units (A)			167 705,7577		
Growth units (B)			139 157,9610	306 863,7187	
Unit value					
Return unit value (A)				227,6392	
Growth unit value (B)				376,6447	

Fondita European Small Cap Investment Fund

Securities' change in the portfolio 1.1.-31.12.2019

(%-points)

Germany	-8,9	Spain	1,6
Cancom	3,1 *	Faes Farma	2,8 *
Dermapharm Holding	2,0 *	Construcciones	0,3 *
Stroeer	1,1 *	Applus Services	0,1 *
MTU Aero Engines	0,8 *	Tecnicas Reunidas	-1,5
CTS Eventim	0,6 *		
All For One Steeb	-0,5 *	Austria	0,8
Schaltbau Holding	-1,2	Andritz	1,4 *
Aumann	-1,2	UBM Development	0,8 *
Jungheinrich	-1,7 *	Schoeller-Bleckmann	-1,4
Jenoptik	-1,7 *		
Carl Zeiss Meditec	-2,0 *	Switzerland	8,1
CompuGroup	-3,7	Siegfried	5,4 *
SAF-Holland	-4,6	Huber & Suhner	3,0 *
		Vifor Pharma	0,5 *
Netherlands	-7,2	Straumann Holding	0,5 *
Corbion	0,8 *	Dormakaba Holding	-1,2 *
Aalberts	-0,3 *		
TKH Group	-1,5 *	Great Britain	-2,0
Volkerwessels	-1,7	Rathbone Brothers	-0,4 *
IMCD	-2,1 *	Polypipe	-1,6 *
SIF Holding	-2,4 *		
		Portugal	0,3
France	1,9	Altri	0,1 *
Akka Technologies	2,2 *	Corticeira Amorim	0,1 *
Ingenico Group	0,9 *		
Tarkett	-1,2	Belgium	3,6
		Barco	3,6 *
Italy	2,8		
Reply	3,4 *	Cash	-1,0
Interpump Group	-0,6 *		

* = 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	10 057 380,46	6 567 963,74
Sales losses of securities	(-) 5 228 525,83	(-) 3 621 862,79
Unrealized gains	20 766 798,39	2 084 116,21
Unrealized losses	(-) 1 991 463,35	(-) 25 745 203,37
Total	<u>23 604 189,67</u>	<u>-20 714 986,21</u>
Transactioncosts	103 837,50	67 840,86

BALANCE SHEET APPENDIX 31.12.2019

Fund value		
Fund value 1.1.	76 174 220,05	102 735 042,41
Unit subscriptions	3 307 919,24	8 597 714,90
Unit redemptions	(-) 10 641 316,38	(-) 11 787 902,66
Distribution of returns	(-) 1 713 835,55	(-) 2 299 578,03
Fiscal year profits	23 462 528,44	-21 071 056,57
Fund value 31.12.	<u>90 589 515,80</u>	<u>76 174 220,05</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.