

**FONDITA FINLAND MICRO CAP INVESTMENT FUND**

**ANNUAL REPORT**

**31.12.2022**

# FONDITA FINLAND MICRO CAP INVESTMENT FUND

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**Activity Report 2021**

Fondita Finland Micro Cap Investment Fund began operations on April 7, 1997.

It primarily invests in publicly traded Finnish micro cap companies.

(The funds name and investment focus changed June 1, 2022. The funds earlier name was Fondita Equity Spice Investment Fund.)

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

	2022	2021	2020
Market value 31.12.	16 487 032,49	22 257 813,80	18 110 837,52
Unit value 31.12. (return / A)	52,6497	75,5752	63,2297
Unit value 31.12. (growth / B)	189,5864	257,5495	205,4104
Growth unit price change during period	-26,4 %	25,4 %	20,1 %
Fiscal period profit	-5 980 472,25	4 550 939,83	3 059 196,64
Management fees paid to Fund Company	369 800,32	415 478,79	307 291,91
A-unit returns	3,8	3,15	2,75
Turnover rate (times/year)	0,43	0,26	0,07
Volatility (%/year)	22,1	13,4	25,6
TER (Total Expense Ratio)	2,00 %	2,00 %	2,00 %
Number of unitholders at end of period	239	233	230

During the year the fund has not participated in any shareholders' general meetings.

Thereby the right to vote has not been used.

SFDR classification of the fund: Article 8

The Board of Directors suggested that the A-units return will be 2,65 € / share.

The return is paid on February 15, 2023.

The Fund Company has during 2022 paid 2 059 023,15 euros in remuneration to the employees whereof 0,00 euros in variable remuneration.

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

773 073,68 euro, no variable part

risk requiring actions (portfolio managers)

1 032 922,14 euro, no variable part

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

626 110,54 euro, no variable part

Note that some people may belong to several groups

## INCOME STATEMENT 1.1.2022-31.12.2022

(euros)

REVENUE	1.1.-31.12.2022	1.1.-31.12.2021
Net profit from securities	-6 150 490,38	4 517 343,00
Dividends	542 240,62	452 762,85
Total revenue	<u>-5 608 249,76</u>	<u>4 970 105,85</u>
<b>COSTS</b>		
Commissions		
to the Fund Company	369 800,32	415 478,79
Interest fees	2 422,17	3 687,23
Total Costs	<u>372 222,49</u>	<u>419 166,02</u>
<b>FISCAL PERIOD PROFIT</b>	<u>-5 980 472,25</u>	<u>4 550 939,83</u>

**BALANCE SHEET 31.12.2021**

(euros)

<b>ASSETS</b>	31.12.2022	31.12.2021
<b>Current assets</b>		
Current assets		
Market value of securities	16 287 958,53	21 819 065,21
Cash and bank deposits	227 615,75	473 917,73
<b>TOTAL ASSETS</b>	<b><u>16 515 574,28</u></b>	<b><u>22 292 982,94</u></b>
<b>LIABILITIES AND SHAREHOLDER EQUITY</b>	31.12.2022	31.12.2021
<b>Fund value</b>		
Fund value	16 487 032,49	22 257 813,80
<b>Liabilities</b>		
Current liabilities		
Purchased securities	0,00	0,00
Accruals	28 541,79	35 169,14
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>16 515 574,28</u></b>	<b><u>22 292 982,94</u></b>

**Fondita Finland Micro Cap Investment Fund**

Portfolio content 31.12.2022

<b>Finland</b>	GICS	Shares	Price (euro)	Market value	91,66 %
Kempower	Industrials	60 882	21,22	1 291 916,04	7,84 %
Vaisala	IT	27 222	39,45	1 073 907,90	6,51 %
Gofore	IT	38 598	22,20	856 875,60	5,20 %
Scanfil	IT	128 571	6,58	845 997,18	5,13 %
Alma Media	Communication	80 000	9,40	752 000,00	4,56 %
Nixu	IT	100 142	7,32	733 039,44	4,45 %
Talenom	Industrials	76 081	9,10	692 337,10	4,20 %
Admicom	IT	14 514	46,50	674 901,00	4,09 %
Musti Group	Consumer Discretionary	39 857	15,61	622 167,77	3,77 %
Revenio Group	Health care	15 000	38,60	579 000,00	3,51 %
Tokmanni Group	Consumer Discretionary	50 200	11,29	566 758,00	3,44 %
Enento	Industrials	26 448	21,40	565 987,20	3,43 %
Digia	IT	98 357	5,71	561 618,47	3,41 %
Detection Technology	IT	30 500	16,90	515 450,00	3,13 %
Puulo	Consumer Discretionary	84 000	5,85	490 980,00	2,98 %
Terveystalo	Health care	78 000	6,25	487 500,00	2,96 %
Efecte	IT	45 000	10,15	456 750,00	2,77 %
Harvia	Consumer Discretionary	24 015	17,68	424 585,20	2,58 %
Marimekko	Consumer Discretionary	45 000	8,76	394 200,00	2,39 %
Pihlajalinna	Health care	43 304	8,52	368 950,08	2,24 %
Nordic Lights Group	Industrials	85 000	4,34	368 900,00	2,24 %
F-Secure	IT	130 000	2,83	367 900,00	2,23 %
Orthex	Consumer Discretionary	77 350	4,68	361 611,25	2,19 %
Duell	Consumer Discretionary	134 663	2,14	288 178,82	1,75 %
Kamux	Consumer Discretionary	62 000	4,33	268 460,00	1,63 %
Rovio	Communication	40 000	6,08	243 000,00	1,47 %
WithSecure	IT	130 000	1,37	178 490,00	1,08 %
Lemonssoft	IT	10 163	7,96	80 897,48	0,49 %
<b>Large companies</b>	GICS	Shares	Price (euro)	Market value	7,13 %
Sampo	Financials	10 000	48,82	488 200,00	2,96 %
UPM-Kymmene	Materials	10 000	34,93	349 300,00	2,12 %
Kone	Industrials	7 000	48,30	338 100,00	2,05 %
<b>Portfolio value</b>				16 287 958,53	
<b>Cash and other asset, net</b>				199 073,96	1,21 %
<b>Fund value</b>				16 487 032,49	
<b>Number of outstanding units</b>					
Return units (A)			28 169,6798		
Growth units (B)			79 140,2080	107 309,8878	
<b>Unit value</b>					
Return unit value (A)				52,6497	
Growth unit value (B)				189,5864	

## Fondita Finland Micro Cap Investment Fund

### Securities' change in the portfolio 1.1.-31.12.2022

(%-points)

<b>Finland</b>	12,4	<b>Large comapnies</b>	-7,3
Kempower	5,3 *	Sampo	-1,0 *
Scanfil	5,1 *	Kone	-2,8 *
Talenom	4,2 *	UPM-Kymmene	-3,5
Admicom	4,1 *		
Enento	3,4 *		
Efecte	2,8 *		
Nixu	2,7 *		
Harvia	2,6 *	<b>Others</b>	-4,4
Marimekko	2,4 *	Elekta B	-2,0
Nordic Lights Group	2,2 *	Novo Nordisk	-2,4
F-Secure	2,2 *		
Gofore	2,1 *		
Kamux	1,6 *	<b>Cash</b>	-0,8
Rovio	1,5 *		
Puulo	1,1 *		
WithSecure	1,1 *		
Orthex	0,4 *		
Digia	0,3 *		
Alma Media	0,2 *		
Vaisala	-0,1 *		
Lemonstoft	-0,2 *		
Pihlajalinna	-0,2 *		
Revenio Group	-0,3 *		
Duell	-0,5 *		
Detection Technology	-0,8 *		
Tokmanni Group	-1,0 *		
Terveystalo	-1,2 *		
Musti Group	-1,7 *		
TietoEVRV	-2,2		
Raisio V	-2,4		
Huhtamäki	-2,6		
Wärtsilä B	-2,8		
Nordea	-3,0		
Stora Enso	-4,0		
Neste	-4,9		
Nokia	-5,0		

\* = Current holding at 31.12.2022

**INCOME STATEMENT APPENDIX 31.12.2022**

(euros)

	31.12.2022	31.12.2021
Net profit of securities		
Sales profit of securities	1 809 293,90	2 417 826,48
Sales losses of securities	(-) 484 279,71	(-) 76 507,36
Unrealized gains	819 623,78	3 613 489,39
Unrealized losses	(-) 8 295 128,35	(-) 1 437 465,51
Total	<u>-6 150 490,38</u>	<u>4 517 343,00</u>
Transaction costs	28 083,52	15 125,35

**BALANCE SHEET APPENDIX 31.12.2022**

Fund value

Fund value 1.1.	22 257 813,80	18 110 837,52
Unit subscriptions	1 137 576,30	617 979,07
Unit redemptions	(-) 884 411,39	(-) 985 991,97
Distribution of returns	(-) 43 473,97	(-) 35 950,65
Fiscal year profits	-5 980 472,25	4 550 939,83
Fund value 31.12.	<u>16 487 032,49</u>	<u>22 257 813,80</u>



Helsinki 28.2.2023

A handwritten signature in black ink, appearing to read 'M. Larsson', with a long, sweeping horizontal stroke at the end.

Markus Larsson, CEO

This is an unofficial translation of the original in Swedish.



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working world

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## AUDITOR'S REPORT (Translation of the Swedish original)

To Fondita Fund Management Company Ltd and to the unit holders of special mutual funds managed Fondita Fund Management Company Ltd

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Fondita Fund Management Company Ltd (business identity code 0899688-5) and the mutual funds managed by Fondita Fund Management Company Ltd for the financial year ending 31.12.2022. The financial statements comprise the balance sheet, income statement, cash flow statement for the mutual fund company and notes.

In our opinion

- the financial statements of Fondita Fund Management Company Ltd give a true and fair view of the financial performance and financial position of the mutual fund company in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.
- the financial statements of the mutual funds managed by Fondita Fund Management Company Ltd give a true and fair view of the financial performance and financial position of the mutual funds in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements

The mutual funds managed by Fondita Fund Management Company Ltd are Fondita Nordic Small Cap Placeringsfond, Fondita Global Megatrends Placeringsfond (former Fondita 2000+ Placeringsfond), Fondita Nordic Micro Cap Placeringsfond, Fondita European Small Cap Placeringsfond, Fondita Sustainable Europe Placeringsfond, Fondita Healthcare Placeringsfond, Fondita Finland Micro Cap Placeringsfond (former Fondita Equity Spice Placeringsfond) and Fondita European Micro Cap Placeringsfond.

#### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company/mutual fund in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's/mutual fund's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company/mutual fund or cease operations, or there is no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's/mutual fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's/mutual fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company/mutual fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Other reporting requirements**

### **Other information**

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 6.2.2023

Anders Svennas  
Authorized Public Accountant

Robert Söderlund  
Authorized Public Accountant