

Portfolio manager: Bertrand Puiffe

Performance for 12 month periods in SEK (%)

## Performance over quarter in SEK (%)

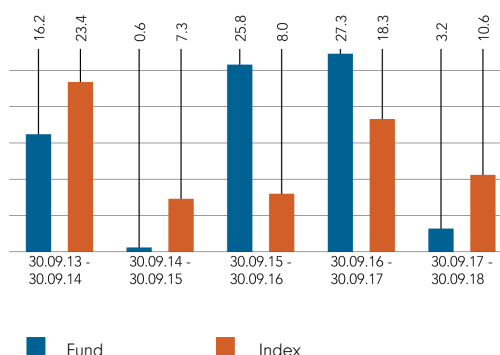
Fund 3.5

Market index 4.3

FTSE Nordic

Market index is for comparative purposes only.

Source of fund performance is Fidelity. Basis: nav-nav with income reinvested, in SEK, net of fees. Other share classes may be available. Please refer to the prospectus for more details.



## Market Environment

Nordic equities posted strong positive returns over the quarter. At a sector level, most of the sectors ended in positive territory, with energy companies leading gains. The sector was supported by an increase in crude oil prices amid looming US sanctions against Iran and an apparent reluctance by the OPEC and Russia to raise output to offset the expected disruption in supply. Utilities, financials, real estate, consumer discretionary and industrials were the other outperforming sectors in the region, while communication services (renamed from telecommunication services; following MSCI's sector reclassification, the sector now includes selected companies from information technology and consumer discretionary) and health care were among the laggards. Norway and Sweden were the region's stand-out performers, while Denmark and Finland lagged the broader market. Nordic stocks continue to be valued at a slight premium to the broader European equity market, but this is arguably warranted given their underlying quality, healthy balance sheet structure and superior long-term growth potential.

## Fund Performance

The fund generated positive returns but underperformed the index over the quarter. Stock selection in industrials, consumer staples and consumer discretionary weighed on performance, partially offset by favourable positioning in these sectors. A significant underweight allocation to financials also hurt relative returns. On a positive note, stock picking in health care and energy supported performance.

## Holdings in industrials disappointed

Construction equipment leasing company Ramirent's shares declined as investors continued to take profits after the stock reached an elevated level in June. Its risk-reward potential became more attractive after its share price fell. Elsewhere, holdings in Fjord1, MPC Container Ships, Konecranes and NKT retreated. This was partially offset by positions in Systemair, Beijer Alma, YIT and Valmet, which added significant value.

## Selected consumer stocks held back gains

Beverage company Raisio detracted from returns after it reported disappointing second quarter earnings. However, the company's management has launched several programmes to counteract its weak performance and raised its full-year guidance. I remain positive on the investment thesis.

## Energy and health care added value

Oil services company BW Offshore was the largest contributor to returns, driven by better than expected second quarter results. In health care, medical technology company Getinge advanced following encouraging quarterly revenues and order intake.

## Fund Positioning

I follow a disciplined investment process based on systematic scoring of companies on qualitative and quantitative factors. The portfolio is managed with a contrarian-value style and has a bias towards mid and small-caps stocks.

## Positive on few distressed asset plays

In industrials, I raised the exposure to drilling contractor Northern Drilling. The company acquires deepwater drilling rigs that specialise in harsh environments (such as the North Sea) at low prices from financially weak players. The current weak freight rate environment provided an opportunity to add to the position at an attractive valuation. Elsewhere in the sector, I used the weakness in Ramirent and Raisio to increase these holdings.

## Took profits in some strong performers

I took some profits in media company Schibsted after it rallied significantly from its lows in April, driven by strong second quarter results. Its internet classifieds business continued to grow while costs remained stable. Elsewhere, I reduced the exposure to strong performers, including Valmet and BW Offshore.

## Important Information

Past performance is not a reliable indicator of future results. The fund's returns can be affected by fluctuations in currency exchange rates.

The value of investments and any income from them may go down as well as up and an investor may not get back the amount invested. The use of financial derivative instruments may result in increased gains or losses within the fund. This fund invests in smaller markets which can make it more volatile than funds investing in larger markets.



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## Attribution

Performance attribution is produced in the currency shown below. For funds with multiple share classes, the attribution return reflects the aggregate performance across all the share classes. It may therefore deviate from the published return for a particular share class. When using the analysis for hedged share classes, please consider that the attribution is shown before the impact of hedging.

The contributions shown in the tables are before the impact of charges. If charges are applied, their effect is captured in the "Other" category in the tables and will also be reflected in the fund return.

All investments, including derivatives, linked to a particular issuing company have been combined to form a total percentage for each issuing company.

The sector/industry and country contribution tables (where relevant) display a maximum of eleven individual sectors/industries or countries. For funds investing in more than eleven sectors/industries or countries, only top five and bottom five are listed, with the contribution from other sectors/industries or countries shown in the "Other Sectors" or "Other Countries" category.

Currency of attribution	Swedish Krona (SEK)
Three month return (%)	3.99

## Position Contribution (%)

3 months

TOP 10 POSITIONS RANKED BY  
ABSOLUTE PERFORMANCE  
CONTRIBUTION

	Average Fund Weight	Performance Contribution
BW OFFSHORE LTD	5.6	2.67
GETINGE AB	4.6	1.03
SCHIBSTED AS	3.3	0.69
SYSTEMAIR AB	1.9	0.59
RADISSON HOSPITALITY AB	2.2	0.49
AP MOLLER MAERSK AS	4.1	0.46
YIT OYJ	2.7	0.43
BEIJER ALMA AB	2.2	0.42
VALMET CORP	2.7	0.39
SKF AB	3.0	0.16

BOTTOM 10 POSITIONS RANKED BY  
ABSOLUTE PERFORMANCE  
CONTRIBUTION

	Average Fund Weight	Performance Contribution
RAISIO PLC	2.2	-0.60
TORM PLC	1.9	-0.52
RAMIRENT OYJ	1.8	-0.48
FJORD1 ASA	3.0	-0.30
MPC CONTAINER SHIPS AS	2.0	-0.29
KONECRANES OYJ	2.8	-0.24
BORR DRILLING LTD	4.5	-0.23
ALTIA	1.5	-0.17
ELTEL AB	2.3	-0.16
ARJO AB	2.4	-0.15

Positions in other funds - including ETFs (Exchange Traded Funds) - can appear in this table, but index derivatives form part of an "Index / Unclassified" category which will appear in the table(s) below when relevant.

## Sector/Industry Contribution (%)

3 months

## RANKED BY ABSOLUTE PERFORMANCE CONTRIBUTION

icb Industry	Average Fund Weight	Performance Contribution
Oil & Gas	11.5	2.44
Consumer Services	15.3	1.12
Health Care	7.0	0.88
Industrials	54.6	0.38
Financials	2.8	0.03
Utilities	0.0	0.00
Basic Materials	0.0	0.00
Technology	0.0	0.00
Telecommunications	2.5	-0.09
Consumer Goods	5.9	-0.78

Total Primary Assets	99.6	3.99
Other*	0.4	0.01
TOTAL	100.0	3.99

## Country Contribution (%)

3 months

## RANKED BY ABSOLUTE PERFORMANCE CONTRIBUTION

	Average Fund Weight	Performance Contribution
Sweden	39.8	2.52
Norway	27.5	2.37
United Kingdom	1.4	0.00
Denmark	14.8	-0.14
Finland	16.1	-0.76

Total Primary Assets	99.6	3.99
Other*	0.4	0.01
TOTAL	100.0	3.99

\*Other includes portfolio components not already listed such as cash, expenses and other miscellaneous items.

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