



SEMI-ANNUAL REPORT 2024

SIMPLICITY SMÅBOLAG GLOBAL

MANAGEMENT REPORT SIMPLICITY SMÅBOLAG GLOBAL

THE FUND'S PERFORMANCE DURING THE FIRST HALF OF THE YEAR

Simplicity Småbolag Global had a return of 17.0% during the first half of the year, while the fund's benchmark index, the S&P Global Small Cap Total Return Index, had a development of 7.9%. The fund's consumer and industrial companies performed very positively, both in North America and in Europe and Asia. System installer Comfort Systems USA and food retailer Sprouts Farmers Market were among the fund's largest holdings during the entire period and were the fund's third and second largest contributors respectively during the first half of the year. Both companies beat analysts' expectations in their quarterly reports and were valued up as a result. The fund's largest contributor was South Korean noodle producer Samyang Foods, whose successful expansion into the United States was rewarded with a surge in the stock.

EQUITY AND FOREIGN EXCHANGE MARKETS

Developments in equity markets were largely driven by a continued resilient economy combined with declining inflation almost according to previous hopes. The market's forecast for the number of interest rate cuts in the US turned out to be too optimistic, as none of the five rate cuts expected in 2024 at the beginning of the year were realised during the first half of the year. The forecast at the end of the first half of the year instead points to two or three reductions in the second half of the year. At the same time, the development of inflation and the actions of central banks became more manageable for the markets, and a soft landing in the economy looked more and more likely. The development also led to the negative correlation that prevailed between long-term interest rates and the stock market in 2022 and 2023 instead becoming positive during the first half of the year.

The resilience of the economy was also visible in the quarterly reports of listed companies. In particular, the more cyclical companies, which started the year with generally low valuations, received positive reactions to the release of the earnings reports. Commodity companies also received a boost from rising commodity prices. Last year's strong trend for AI-related companies continued, as demand for processors from Nvidia and cloud services from Microsoft and Alphabet remained high. The continued success of America's large technology companies, known as Magnificent 7, was a theme in itself during the year, as their high weight in the index combined with high returns made it difficult for many investors to stay outside the group with their investments.

Geopolitical turmoil continued to prevail in the world during the first half of the year, but at the same time had a limited impact on the stock markets' performance. The greatest focus was on the war between Israel and Hamas, supported by Hezbollah, which continued but without escalation. Furthermore, China marked with military exercises outside Taiwan after Taiwan elected a new president who in China has been described as a separatist. China's relationship with the West was further deteriorated by China's continued unfair trade practices, which were met with increased trade barriers from the US and the EU, among others. The trade problems added to several domestic challenges for China,

including weak consumption, the real estate crisis, high unemployment among young people and high indebtedness among the country's municipalities and regions.

In the foreign exchange markets, interest rate developments largely determined currency movements. The US Federal Reserve (Fed) postponed interest rate cuts until the second half of the year, while the European Central Bank (ECB) and the Riksbank, among others, implemented an interest rate cut. Japan, as expected, went in the opposite direction and raised its policy rate, leaving the era of negative interest rates as the last country. However, the signals ahead remained dovish, which weakened the Japanese yen during the first half of the year. At the same time, the Riksbank's monetary policy was somewhat more expansionary than the corresponding from the Fed and the ECB. As a result, the krona weakened slightly against both the US dollar and the euro. The currency effect in the fund was thus positive.

RISK MANAGEMENT AND KEY FIGURES

The fund has managed market, industry, country and regional risk by investing in several highly liquid equities in different industries, countries and regions. The fund has chosen not to hedge against the currency risk. The currency risk amounts to approximately the size of the investment in each country. The standard deviation has amounted to 15.5% over the past two years. The corresponding figure for the benchmark index is 15.2%. The fund's activity level is described by the key figure active risk, a measure of how much the difference in the performance of the fund and its benchmark index varies over time. The deviation can be both positive and negative. The fund's benchmark index is relevant as it provides a good representation of the global equity market for small and medium-sized companies as well as the fund's long-term return and risk profile. The fund's active risk has been 7.8% over the past two years. The level of activity is high as the fund is actively managed and often deviates significantly from its benchmark index in terms of sector distribution, country distribution and weight in specific stocks. Compared to the index, for example, the fund has had a clearly higher weight in the banking sector over the past two years. On those occasions when bank stocks' performance has deviated greatly from the index, the fund's return has often also deviated greatly from the index, which has contributed to a high active risk for the fund.

HOLDINGS AND POSITIONS

The geographical allocation of the fund was relatively stable during the period. The regional allocation at the end of the first half of the year was largely in line with that at the beginning of the year, and the biggest change in the country distribution was that the weight in Sweden fell by two percentage points. Major changes took place in the distribution of sectors. The largest decrease occurred among industrial companies as the weight of North American industrial producers decreased from a high level. The weight of the sector fell from 34% to 30%. The weight of the materials companies also decreased, from 5% to 2%, partly due to the divestment of Eagle Materials. Generally low valuations were a contributing factor to the increase in the weight of consumer discretionary companies in the fund, from 25% to 28%. Bank holdings also increased slightly, which meant that the financial sector went from a weight of

9% to 13%. At the end of the period, Bird Construction Inc, North West Company and Matson Inc were the fund's three largest holdings.

DEVELOPMENT OF FUND ASSETS

The fund had a net inflow during the period of SEK 97 million. As of the end of June 2024, the fund's assets amounted to SEK 300 million, an increase of SEK 129 million.

DERIVATIVES AND SECURITIES LOANS

During the year, the Fund has engaged in securities lending, which has contributed SEK 7 thousand to the Fund's income. In order to streamline management and protect the Fund's assets against exchange rate and currency risks, the Fund may trade in options and forward contracts. The Fund has not used this opportunity during the year.

SIGNIFICANT EVENTS

No significant events occurred during the first half of the year.

Performance

	24.06.30	23.12.31	22.12.31	21.12.31	20.12.31	19.12.31	18.12.31
Net assets, SEK thousands	299 742	171 130	153 323	141 082	74 248	69 941	61 020
NAV	171.08	146.77	132.83	138.64	100.41	118.98	89.83
Trading NAV*	172.08	147.05	132.38	139.14	100.41	118.99	89.84
Number of outstanding units	1 752 089	1 165 967	1 154 253	1 017 644	738 086	585 002	683 145
Total return, %	17,00%	11.1%	-4.9%	38.6%	-15.6%	32.5%	-10.2%
Total return benchmark, %	7.9%	11.8%	-5.8%	27.1%	2.4%	32.5%	-7.7%
Active risk**	7.8%	7.7%	6.5%	9.7%	8.5%		

* NAV for the last trading day of the period.

** The portfolios Active Risk is high as a result of active management and large deviations between the fund portfolio and its benchmark index concerning both sectors and specific bonds. The ways in which the portfolio deviates from its benchmark index will also vary over time.

Key ratios

	24.06.30
Average net assets, SEK thousands	228 675
Total return since inception	72.1%
Average annual return last 2 years	19.2%
Average annual return last 5 years	9.0%
Turnover ratio	0.6
Benchmark*	S&P Global SmallCap Total Return Index
Benchmarks return since the fund's inception	79.0%
Average annual return last 2 years benchmark	12.9%
Average annual return last 5 years benchmark	9.8%
RISK**	
Standard deviation	15.5%
Standard deviation benchmark	15.2%

*S&P Global SmallCap Total Return Index is calculated in SEK and is a total return index that takes into account dividends.

**The key ratios are calculated using the last 24 months data, in accordance with the Swedish Investment Fund Associations guidelines.

Change in net assets

	23.06.30
Net assets in the beginning of the year, SEK thousands	171 130
Unit issue, SEK thousands	110 683
Unit redemption, SEK thousands	- 13 680
Net result according to income statement, SEK thousands	31 609
Net assets, SEK thousands	299 742

Balance sheet

ASSETS	Notes	24.06.30	23.12.31
Transferable securities		287 987	167 591
Total financial instruments with a positive market value		287 987	167 591
Total investments with a positive market value		287 897	167 591
Cash and cash equivalents		11 762	3 846
Prepayments and accrued income	1	343	23
Other assets		12	1 741
Total assets		300 104	173 201
LIABILITIES			
Accrued expenses and prepaid income	2	336	208
Other liabilities		26	1 863
Total liabilities		362	2 071
NET ASSETS		299 742	171 130
Memorandum			
Lent financial instruments	3	13 468	4 305
Collateral received for lent financial instruments	4	13 491	4 311

Notes

Note 1 Prepaid expenses and accrued revenues	24.06.30	23.12.31
Accrued interest	342	16
Accrued dividends	1	7
Total	343	23

Note 2 Accrued expenses and prepaid revenues	24.06.30	23.12.31
Accrued management fees	336	199
Accrued expense interest	0	9
Total	336	208

Note 3 Lent financial instruments	24.06.30	23.12.31
Exposure	13 468	4 305
Share of total lendable assets	4.7%	2.6%
Counterparty	SEB	SEB

Note 4 Received collateral for lent instruments	Collateral received for lent financial instrument 2023.12.31					
	Quantity	Market value (tSEK)	Currency	Type	Issuer	
NDASS 0 1/2 09/16/26 #5535	9 300 000	8 844	SEK	Residential Bond	Nordea Hypotek AB	
SGBI 0 1/8 06/01/26 #3112	10 000	13	SEK	Government Bond	Swedish State	
SWEDA 1 03/17/27 #197	1 900 000	1 809	SEK	Residential Bond	Swedbank Hypotek AB	
SWTB 0 12/18/24	2 870 000	2 825	SEK	Government Note	Swedish State	
Total Collateral received		13 491				

Collateral received for lent financial instrument 2023.12.31

	Quantity	Market value (tSEK)	Currency	Type	Issuer
NDASS 1 09/17/25 #5535	100 000	97	SEK	Residential Bond	Nordea Hypotek AB
SGBI 0 1/8 06/01/26 #3112	2 635 000	3 369	SEK	Government Bond	Swedish State
SGBI 1 06/01/25	650 000	845	SEK	Government Bond	Swedish State
Total Collateral received		6 009			

Accounting and valuation principles

This annual report has been prepared in accordance with the Swedish Investment Funds Act (2004:46), the Swedish Financial Supervisory Authority's regulations FFFS 2013:9 and the Swedish Investment Fund Associations guidelines.

Financial instruments

Realized earnings consist of the difference between the sales value and the original acquisition value. When calculating realized earnings, the average method has been used. Transaction costs are included in the acquisition value and are deducted from the sales value. Financial instruments have been valued at market value corresponding to the current closing price on the closing date.

Holdings as of 2024.06.30

FINANCIAL INSTRUMENTS			
	Quantity	Market value (tSEK)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO TRADING ON A REGULATED MARKET			
MATERIALS			
Cementir holding NV (IT)	20 500	2 169	0,7%
Kemira (FI)	13 800	3 566	1,2%
Total Materials		5 736	1,9%
INDUSTRIALS			
Allison Transmission (US)	3 000	2 413	0,8%
American Woodmark (US)	3 400	2 832	0,9%
Applied Industrial (US)	1 350	2 775	0,9%
Arcosa INC (US)	3 600	3 182	1,1%
AZZ INC (US)	3 500	2 865	1,0%
Barret Business Svcs (US)	10 400	3 612	1,2%
Bird Construction (CA)	20 500	4 259	1,4%
Blue bird Corp (US)	3 100	1 769	0,6%
Boise cascade CO (US)	1 740	2 198	0,7%
Cargotec B (FI)	2 000	1 702	0,6%
Comfort Systems (US)	1 030	3 320	1,1%
Construction Prtnrs (US)	4 500	2 633	0,9%
Corp America Air (AR)	8 000	1 411	0,5%
Danieli & C Officine (IT)	6 400	2 587	0,9%
Dycom Inds (US)	1 950	3 487	1,2%
Emcor group INC (US)	500	1 934	0,6%
Enersys (US)	3 100	3 401	1,1%
Gibraltar Industries (US)	1 800	1 308	0,4%
GMS INC (US)	2 910	2 486	0,8%
Griffon Corp (US)	4 750	3 215	1,1%
Hexpol B (SE)	16 000	1 888	0,6%
ICF international (US)	2 300	3 619	1,2%
Kadant INC (US)	500	1 557	0,5%
Konecranes (FI)	4 800	2 886	1,0%
Konoike Transport (JP)	9 000	1 422	0,5%
Korn Ferry (US)	2 900	2 063	0,7%
Matson INC (US)	2 800	3 886	1,3%
Resideo Technologies (US)	11 000	2 280	0,8%
Sanwa hldg (JP)	14 000	2 713	0,9%
Simpson Manufactur (US)	1 000	1 786	0,6%
Skywest INC (US)	4 000	3 479	1,2%
Tennant CO (US)	3 000	3 130	1,0%
Terex Corp (US)	4 900	2 848	1,0%
Veidekke (NO)	6 891	782	0,3%
Watts Water Tech (US)	600	1 166	0,4%
Total Industrials		88 893	29,7%
CONSUMER DISCRETIONARY			
ABC-mart (JP)	14 000	2 606	0,9%
Abercrombie & Fitch (US)	1 520	2 865	1,0%
Adtalem Global (US)	3 500	2 530	0,8%
Am Eagle Outfitters (US)	8 500	1 798	0,6%
Boshiwa International (CN)	420 000	0	0,0%
Cie automotive SA (ES)	7 200	2 122	0,7%
Coway CO (KR)	6 000	2 966	1,0%
De' longhi SPA (IT)	5 000	1 658	0,6%
Europris Asa (NO)	6 500	467	0,2%
FCC CO LTD (JP)	18 000	2 786	0,9%
Frontdoor (US)	9 300	3 330	1,1%
G lii Apparel (US)	7 000	2 008	0,7%
Grand canyon EDU (US)	2 100	3 114	1,0%
Green Brick Partners (US)	2 000	1 213	0,4%
Group 1 Automotive (US)	450	1 418	0,5%
Hankook Tire & Techn (KR)	8 800	3 063	1,0%
Hisense (CN)	40 000	1 396	0,5%
Installed Building P (US)	1 170	2 550	0,9%
Jb Hi-Fi (AU)	5 300	2 294	0,8%
Jnby design LTD (CN)	150 000	3 099	1,0%
KB home (US)	3 000	2 231	0,7%
Kid ASA (NO)	11 900	1 755	0,6%
Kontoor Brands (US)	2 100	1 472	0,5%
Modine Mfg (US)	1 000	1 062	0,4%
Nifco Inc/Japan (JP)	3 000	758	0,3%
Patrick Inds (US)	2 450	2 818	0,9%
Premier Investment (AU)	9 000	1 982	0,7%
Shimamura CO (JP)	1 500	723	0,2%
Signet jewelers LTD (US)	2 500	2 373	0,8%
Stella Intl (HK)	150 000	3 225	1,1%
Steve Madden (US)	7 500	3 362	1,1%
Super Retail Group (AU)	14 000	1 381	0,5%
Tamron (JP)	8 000	2 195	0,7%
Taylor Morrison Home (US)	4 364	2 564	0,9%
Tri Pointe Homes (US)	6 400	2 526	0,8%
Truworths INTL (ZA)	48 000	2 608	0,9%
Universal Tech Inst (US)	10 000	1 667	0,6%

Urban outfitters INC (US)	4 500	1 958	0,7%
Total Consumer Discretionary	79942		26,7%
CONSUMER STAPLES			
Life Corp (JP)	5 000	1 298	0,4%
Nichirei Corp (JP)	10 000	2 332	0,8%
Nomad Foods (GB)	15 000	2 620	0,9%
North West Company (CA)	12 000	3 852	1,3%
Orion Corp/Republic (KR)	2 320	1 647	0,5%
Samyang Foods (KR)	710	3 657	1,2%
Sheng Siong Group (SG)	260 000	3 028	1,0%
Sprouts Farmers Mkt (US)	4 000	3 546	1,2%
Stride INC (US)	4 900	3 661	1,2%
Total Consumer Staples	25 641		8,6%
HEALTH CARE			
Alk Abello B (DK)	8 000	1 865	0,6%
Haemonetics Corp (US)	3 400	2 981	1,0%
Integer holdings Cor (US)	1 400	1 718	0,6%
Option Care Health (US)	4 000	1 174	0,4%
Pharmaresearch Co Lt (KR)	900	1 031	0,3%
United Laboratories (HK)	240 000	2 685	0,9%
Total Health Care	11 453		3,8%
FINANCIALS			
Axos financial INC (US)	2 800	1 696	0,6%
City holding CO (US)	3 150	3 547	1,2%
Cno Financial Group (US)	10 000	2 938	1,0%
Credito Emiliano (IT)	30 500	3 221	1,1%
Fidus Investment (US)	6 500	1 342	0,4%
HCI group (US)	1 000	977	0,3%
Indep Bank Mich (US)	7 712	2 207	0,7%
Mercantile Bank Corp (US)	6 200	2 666	0,9%
OFG bancorp (PR)	6 300	2 500	0,8%
Preferred Bank La (US)	4 400	3 520	1,2%
Sparebanken Vest (NO)	18 500	2 305	0,8%
Swissquote Group (CH)	820	2 743	0,9%
Sydbank (DK)	2 220	1 247	0,4%
Victory Capital (US)	4 800	2 428	0,8%
Wisdomtree INC (US)	30 000	3 151	1,1%
Woori Invst & Securi (KR)	20 000	1 954	0,7%
Total Financials	38 440		12,8%

IT			
Alarm.Com Holdings (US)	4 100	2 761	0,9%
Badger meter INC (US)	1 600	3 160	1,1%
Belden INC (US)	2 800	2 783	0,9%
Celestica INC (CA)	2 300	1 396	0,5%
EVS broadcast equipm (BE)	6 800	2 243	0,7%
Exlservice Holdings (US)	3 000	997	0,3%
Indra sistemas SA (ES)	13 000	2 850	1,0%
Lagercrantz Group B (SE)	5 000	861	0,3%
Progress Software (US)	3 300	1 898	0,6%
Qualys INC (US)	1 500	2 267	0,8%
Sapiens INTL (IL)	5 400	1 942	0,6%
Solum CO LTD (KR)	7 300	1 180	0,4%
Total IT	24 337		8,1%
TELECOMMUNICATIONS			
Atresmedia (ES)	45 000	2 261	0,8%
China Comm Service (CN)	580 000	3 315	1,1%
U-next (JP)	7 500	2 223	0,7%
Total Telecommunications	7 799		2,6%
UTILITIES			
Enel chile SA (CL)	30 000	890	0,3%
Total Utilities	30 000	890	0,3%
Total Transferable securities admitted to trading on a regulated market		283 132	94,5%
TRANSFERABLE SECURITIES SUBJECT TO REGULAR TRADE ON ANOTHER MARKET THAT IS REGULATED AND OPEN FOR THE PUBLIC			
INDUSTRIALS			
Bilfinger (DE)	3 800	2 121	0,7%
Total Industrials		2 121	0,7%
CONSUMER DISCRETIONARY			
SAF-Holland (DE)	13 000	2 734	0,9%
Total Consumer Discretionary		2 734	0,9%
Total Transferable securities subject to regular trade on another market that is regulated and open for the public		4 854	1,6%
TOTAL FINANCIAL INSTRUMENTS		287 987	96,1%
OTHER ASSETS AND LIABILITIES, NET		11 756	3,9%
TOTAL NET ASSETS		299 742	100,0%
(AR) Argentina, (AU) Australia, (BE) Belgium, (CA) Canada, (CH) Switzerland, (CL) Chile, (CN) China, (DE) Germany, (DK) Denmark, (ES) Spain, (FI) Finland, (GB) Great Britain, (HK) Hong Kong, (IL) Israel, (IT) Italy, (JP) Japan, (KR) South Korea, (NO) Norway, (PR) Puerto Rico, (SE) Sweden, (SG) Singapore, (US) USA, (ZA) South Africa			

Simplicity.

ASSET MANAGEMENT

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