

Öhman

FAIR VALUES SINCE 1906

Dear Investor,

After a very successful 2017, the first half of 2018 continued in the same positive spirit. Returns on our funds and client portfolios were good overall, even though the market environment was not as clearly shaped by positive drivers as it was last year. We saw large inflows in our funds during the first six months of the year, along with good new client acquisition. We also reinforced our organisation during the period with several new and important recruitments.

Above all, several of our active equity funds reported strong management results during the first half, which took place in the light of a very successful 2017 overall. Although equity markets generally rose during the period, they did so in a state of higher volatility and with a more fragmented picture as regards regions and sectors. Despite this more challenging market environment, a majority of our funds delivered positive returns, which were also good in relation to their benchmarks. We are also continuing our efforts to clarify and improve the family of funds. In addition to merging funds with similar orientations, we have also started Öhman Navigator - a sustainable, mixed assets fund that invests in both equities and bonds. We are working with active allocation among the asset classes in the fund, and investments are made in accordance with our most stringent sustainability criteria. Fixed income management during the period continued to deliver generally stable returns in both the traditional fixed income range and corporate bonds, in the face of generally challenging conditions in the fixed income markets. Our green bond fund, started last year, is off to a strong start this year, as is our FRN fund.

We had positive net inflow of more than SEK 4 billion in our funds during the first half of the year: the third largest inflow of all Swedish fund managers during the period, including those owned by banks and insurance companies. This is simply outstanding, considering that we are an independent asset manager. The inflow growth is coming from institutions, external cooperation partners and the private client segment.

All of our client segments are showing positive growth figures, and this is a signal that we are on the right path. We have also reinforced our organisation with new recruits who are further enhancing Öhman's skills in several areas. One of these is responsible investment, where Head of Responsible Investment Fredric Nyström is now backed up by Victoria Lidén, formerly with Söderberg & Partners. Victoria will be working with Fredric to continue driving the essential work that we managers - along with the rest of the industry and society at large - have a responsibility to swiftly advance. At Öhman, we take this responsibility very seriously indeed and intend to remain leaders in this vital area that affects us all. In perfect alignment with our long-term strategy, we have converted additional funds into sustainable funds and intend to continue in the same direction for the foreseeable future. At present, more than 60 percent of our assets under management are in sustainable funds - almost double the figure of only one year ago.

In line with what we signalled in the last report, the financial markets demonstrated larger upticks and downticks in the first six months of the year compared to last year. By early autumn 2017, our leading indicators suggested that the economy had probably reached at least a temporary peak in the growth rate and that it would gradually taper off later on. These leading indicators generally say something about trends six to nine months in the future, and our thesis was that the global economy would remain good for some time yet. We thus realised that the weakness the leading indicators warned of in autumn would not begin to be reflected in global economic statistics until sometime in the first half of 2018. Now that we have made it halfway into 2018, we can confirm that the cooling-off tendencies can be seen in several directions. This is one important reason we chose to reduce the risk in our funds and portfolios in various ways.

Valuations have been high for all asset classes for quite some time. This was due to record-low interest rates and an ultra-expansionary monetary policy, which helped the equity markets rise more than earnings growth and thus pushed valuations up to high levels in many areas. But companies delivered earnings growth in 2017, which kept valuations stable, and companies were able to grow into them to a certain extent. If we are to believe the analysts' earnings forecasts, it looks like corporate profits will continue to grow at a good clip this year and next. But, like the economy, growth in corporate profits looks like it will gradually slow down. From the valuation perspective, this makes conditions in the equity market more challenging.

The combination of the slowing global growth rate and a less advantageous valuation and earnings growth scenario means that the best equity market returns in this cycle are behind us. In this scenario, the economy and the equity market are both more sensitive to disappointments and completely unexpected events that are beyond the monitoring and assessment of the economic and financial markets: phenomena we call "exogenous shocks." Two courses of events that could be considered powerful exogenous shocks are political developments in Italy and the rising risk of a global trade war.

To sum things up, the fundamental trend is actually not bad, but it is not getting stronger, but rather becoming gradually less favourable. The direction is thus negative and the sensitivity to exogenous shocks is relatively high. Accordingly, the risk is that the second half will demonstrate a higher degree of volatility and more defensive behaviour among investors.

In conclusion, we can close the books on a very successful first half of the year. And yet, like the rest of the industry, we are always dependent upon what happens in the global financial markets. Major market downturns, for example, always have negative impact on our entire industry. It is therefore imperative that we continue working with that which is under our direct control: the quality of our products and services. We know that we must meet increasingly high demands to remain among the leading firms in our industry. As an organisation, we are taking on the future and the challenges ahead with gusto.

Pablo Bernengo
CEO, Öhman Fonder

SMÅBOLAGSFOND

Investment strategy

The fund is an equity fund whose objective is to achieve the highest capital growth possible while adhering to the investment strategy. The fund is an actively managed equity fund that invests in small and medium cap companies listed on Nasdaq OMX Stockholm. The fund invests in companies whose market capitalisation does not exceed 1 percent of the total market capitalisation on Nasdaq Stockholm and complies with our Responsible Investment Standard. The fund is permitted to invest up to 10 percent of its net asset value in other Nordic equity markets.

Fund facts

Inception date	20 September 1991
Price quotation	Daily
Entry charge	None
Exit charge	None
Ongoing charge A+B	1.50%
Ongoing charge C	0.75%
Manager	Stefan Kopperud
Deputy manager	Anders Avervik
Benchmark index	Carnegie Small Cap Total Return Net

Fund number with the Swedish Pensions Agency	694539
Registration number	802014-4617

Management report

The fund rose by 13.3 percent during the first half of 2018, while its benchmark index rose 6.5 percent.

Fund assets also grew during the period, from SEK 2,655 million to SEK 3,194 million. The fund had a net inflow of SEK 183 million during the half year.

The stock exchange started the year strong but then fell back, in spite of good quarterly reports and increasing corporate profits. Escalated trade actions between the US and the rest of the world and uncertainty related to economic development in Europe pumped anxiety into the stock market during the first half. Rising US interest rates have also dampened market optimism. Nolato, Beijer Ref and Sectra were the top contributors to fund performance. Itab Shop Concept and Getinge were the holdings that had the most negative impact.

A third unit class was started for the fund during the half year, Unit Class C.

As of the reporting date, there are no other material risks in fund holdings beyond those outlined in the KIID and the prospectus.

In accordance with the fund rules, the Fund had the option to trade in derivatives, but did not utilise that option during the first half of 2018. The fund is permitted to use the techniques and instruments referred to in chapter 25, section 21 FFFS 2013:9, but elected not to do so during the first half of 2018.

Financial instruments, SEKK

Transferable securities admitted to trading on a regulated market or equivalent market outside the EEA.

	Number	Market value, SEKK	Share of fund assets	Issuer, share of fund assets
Equities				
RETAILING				
ITAB Shop Concept B	933,383	33,135	1.04%	1.04%
Mekonomen	95,786	11,858	0.37%	0.37%
Nobia A	464,258	32,011	1.00%	1.00%
		77,004	2.41%	
ENERGY				
Subsea 7	205,747	29,437	0.92%	0.92%
		29,437	0.92%	
REAL ESTATE				
Bonava B	334,485	35,154	1.10%	1.10%
Castellum A	145041	21,053	0.66%	0.66%
Fabege	752716	80,450	2.52%	2.52%
Hufvudstaden A	307,151	39,407	1.23%	1.23%
Kungslöden A	639,177	39,501	1.24%	1.24%
Wilhelms Fastigheter	683,671	70,856	2.22%	2.22%
		286,422	8.97%	
TECH HARDWARE & PERIPHERALS				
Mycronic	381567	38,233	1.20%	1.20%
Nolato B	175,522	126,902	3.97%	3.97%
		165,135	5.17%	
HEALTH CARE				
Arieo AB Serie B	1 056998	33,771	1.06%	1.06%
BioGala B	68,828	27,497	0.86%	0.86%
Elekta B	801892	94,623	2.96%	2.96%
Getinge B	864,009	70,417	2.20%	2.20%
Medicover	209,090	16,727	0.52%	0.52%
Sectra B	408,848	97,101	3.04%	3.04%
		340,136	10.65%	
CONSUMER STAPLES & APPAREL				
Bravida Holding	376,539	26,791	0.84%	0.84%
Duni	177,282	22,728	0.71%	0.71%
Husqvarna B	1 968509	167,363	5.24%	5.24%
		216,881	6.79%	
CONSUMER SERVICES				
Acando B	775342	24,346	0.76%	0.76%
Addtech B	117,735	23,335	0.73%	0.73%
Kindred Group SDB	886,648	100,014	3.13%	3.13%
NetEnt B	982,729	47,073	1.47%	1.47%
		194,767	6.10%	
FOOD SALES				
AarhusKarlshamn	520,638	74,243	2.32%	2.32%
		74,243	2.32%	
FOOD PRODUCTION				
Bakkafrost	57,846	28,711	0.90%	0.90%
		28,711	0.90%	
PHARMACEUTICALS				
Alligator Bioscience	601370	19,545	0.61%	0.61%

Swedish Orphan Biovitrum	675,355	131,998	4.13%	4.13%
		151,543	4.74%	
MEDIA				
Modern Times Group B	484,400	181,553	5.68%	5.68%
Qiro Group	412,728	5,506	0.17%	0.17%
		187,059	5.86%	
SOFTWARE & SERVICES				
Edgewise W/I	292,231	4,582	0.14%	0.14%
HIQ International	647,849	40,173	1.26%	1.26%
		44,755	1.40%	
COMMODITIES & MATERIALS				
Beijer Ref B	697,520	113,277	3.55%	3.55%
Salmones Camanchaca	363,250	23,524	0.74%	0.74%
		136,801	4.28%	
SERVICES				
Gunnebo	574,109	15,329	0.48%	0.48%
Securitas B	757,735	111,728	3.50%	3.50%
Sweco B	109,010	23,023	0.72%	0.72%
		150,080	4.70%	
TELECOM OPERATORS				
Millicom Intl Cellular SDR	140,246	74,190	2.32%	2.32%
Tele2 B	1,217,504	128,203	4.01%	4.01%
		202,393	6.34%	
TRANSPORTATION				
Nobina	575,855	39,504	1.24%	1.24%
		39,504	1.24%	
ENGINEERING				
Beijer Alma B	330,782	41,083	1.29%	1.29%
Concentric	649,902	99,955	3.13%	3.13%
Dometic Group	1,895,216	166,779	5.22%	5.22%
Hexpol B	662,387	61,734	1.93%	1.93%
Invido	68,118	4,366	0.14%	0.14%
Latour B	316,476	30,667	0.96%	0.96%
Nibe Industrier B	1,371,742	131,879	4.13%	4.13%
Nilfisk Holdings A/S	41,470	18,109	0.57%	
NKT A/S	41,470	10,145	0.32%	0.88%
Outotec	937,399	66,775	2.09%	2.09%
Ramirent	193,417	18,384	0.58%	0.58%
Trelleborg B	480,810	91,979	2.88%	2.88%
		741,855	23.23%	
Total Equities		3,066,727	96.02%	
Financial instruments with positive and negative market value				
With positive market value		3,066,727	96.02%	
With negative market value				
Total financial instruments		3,066,727	96.02%	
Other assets and liabilities				
Of which cash and cash equivalents		127,111	3.98%	
		133,004	4.16%	
Fund assets		3,193,838	100.00%	

The fund had no derivative positions with underlying exposure during the year.

Balance sheet, SEKK

	30 June 2018	2017
ASSETS		
Transferable securities	3,066,727	2,548,087
Money market instruments	0	0
OTC derivatives	0	0
Other derivative instruments	0	0
Fund Units	0	0
Total financial instruments with positive market value	3,066,727	2,548,087
Deposits in accounts with credit institutions	0	0
Total investments with positive market value	3,066,727	2,548,087
Bank balances and other cash and cash equivalents	133,004	114,583
Prepaid expenses and accrued income	0	0
Other assets (Note 2)	2,635	1,542
TOTAL ASSETS	3,202,366	2,664,212
LIABILITIES		
OTC derivative instruments with negative market value	0	0
Other derivative instruments with negative market value	0	0
Other financial instruments with negative market value	0	0
Total financial instruments with negative market value	0	0
Tax liabilities	0	0
Accrued expenses and prepaid income	4,095	3,815
Other liabilities (Note 2)	4,433	5,053
TOTAL LIABILITIES	8,528	8,868
FUND ASSETS (Note 1)	3,193,838	2,655,344
MEMORANDUM ITEMS		
Financial instruments lent	0	0
Portion of transferable securities lent out	0.0%	0.0%

Collateral received for lent financial instruments	0	0
Collateral received for OTC derivatives	0	0
Collateral received for other derivative instruments	0	0
Other collateral received	0	0
Collateral pledged for borrowed financial instruments	0	0
Collateral pledged for OTC derivatives	0	0
Collateral pledged for other derivative instruments	0	0
Other pledged assets	0	0

NOTES, SEKK

NOTE 1 STATEMENT OF CHANGES IN FUND ASSETS	30 June 2018	2017
Fund assets at 1 January	2,655,344	2,653,974
Unit issues	300,911	376,695
Unit redemptions	-115,064	-710,611
Net profit for the year	355,688	338,881
Dividends paid	-3,041	-3,595
TOTAL Fund assets	3,193,838	2,655,344

NOTE 2 OTHER ASSETS AND LIABILITIES	2018	2017
Other assets include unsettled trades	2,635	1,542
Other liabilities include unsettled trades	-4,433	-5,053

Fund performance

	30 June 2018	2017	2016	2015	2014
Fund assets, SEKK	3,193,838	2,655,344	2,653,974	3,138,743	2,594,382
Unit Class A					
Total return, %	13.3	14.0	10.7	25.9	19.9
Benchmark index, %	6.4	8.8	12.2	30.1	21.6
Unit value, SEK	4,149.81	3,661.41	3,211.38	2,900.63	2,304.41
Units outstanding	714,190	701,743	790,282	1,040,635	1,083,973
Dividend SEK/unit					
Unit Class B					
Total return, %	13.3	14.0	10.7	25.9	19.9
Benchmark index, %	6.4	8.8	12.2	30.1	21.6
Unit value, SEK	3,470.63	3,156.83	2,854.42	2,657.96	2,176.63
Units outstanding	30,416	27,235	40,703	45,190	44,267
Dividend SEK/unit	102.40	94.52	77.64	78.51	49.86
Unit Class C					
Total return, %	0.5				
Benchmark index, %	0.7				
Unit value, SEK	1,005.06				
Units outstanding	123,897				
Dividend SEK/unit					
	2013	2012	2011	2010	2009
Fund assets, SEKK	1,913,859	1,283,378	2,113,272	1,698,787	1,205,952
Total return, %	33.8	9.6	-10.1	31.6	65.1
Benchmark index, %	36.6	12.7	-13.2	30.6	68.9
Unit Class A					
Unit value, SEK	1,921.98	1,436.44	1,354.22	1,531.32	1,176.04
Units outstanding	960,471	893,408	1,560,447	1,109,313	1,025,390
Dividend SEK/unit		45.02	25.33	12.28	40.86
Unit Class B					
Unit value, SEK	1,860.24				
Units outstanding	36,436				
Dividend SEK/unit	50.75				

Tax rules

Tax liability of the fund: As of 2012, fund income is not taxable. Funds do, however, pay withholding tax on dividends received on their foreign equity holdings. The withholding tax varies from country to country. For reasons including legal uncertainty about the application of double taxation treaties and developments within the EU in the tax area, the withholding tax may be either higher or lower than the preliminary withholding tax deducted when the dividend is received.

Tax liability of investors: Swedish unitholders pay income tax on an annual standardised income calculated on the value of fund units at the beginning of the year, as well as tax on profits and any dividends received on fund units. The annual standardised income corresponds to 0.4 percent of the value of the units at 1 January of the year. The standardised income is reported as capital income and taxed at 30 percent. Income statements for tax purposes are issued for natural persons and estates taxable in Sweden, while legal persons must independently calculate the standardised income and pay the tax. The tax may be affected by individual circumstances and investors who have questions about possible tax consequences should seek expert advice.

Accounting policies

The operations of UCITS funds are regulated by the Swedish Investment Funds Act (2004:46) and by the fund rules for each fund. Accounting policies comply with Finansinspektionen's Regulations regarding Swedish UCITS (FFFS 2013:9). The funds furthermore apply, in all material respects, the accounting recommendations established by the Swedish Investment Fund Association. The funds otherwise comply with the provisions of the Swedish Bookkeeping Act where applicable. Fund unit values as of 30 June 2018 refer to the respective funds' NAV prices on 29 June 2018, the funds' last trading day for the first half of 2018. The funds' holdings have been measured at market value as of 30 June 2018 on the funds' balance sheets. Market value refers to last price paid.

If such is not available, the holdings are measured at the last bid price or, if this is not representative, at the value established by the fund management company on objective grounds.

Assets denominated in foreign currency are reported in SEK. Amounts were converted at the exchange rate in effect on 29 June 2018. Measurement of non-listed discount instruments is based on the interest rate curve for listed treasury bills. A markup is added for the spread estimated to apply to the non-listed discount instruments. Measurement of currency forward contracts is based on exchange rates on the reporting date.

Risk assessment method

Certain funds invest in derivative instruments. The "commitment method" is used to calculate the global exposure of the funds. According to the commitment method, derivative positions are converted to an equivalent position in the underlying assets.

The fund management company

Fund management company

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 Customer Service: +46 20 52 53 00 (9.00-17.00)
 Email: fonder@ohman.se Internet:
www.ohman.se/fonder
 Corporate registration number 556050-3020, registered 27 January 1994.
 Share capital SEK 4,200,000.
 Authorisation to conduct fund business in accordance with the Swedish Investment Funds Act (2004:46) was granted to E. Öhman J:or Fonder AB by Finansinspektionen 28 March 1994 and reauthorisation was granted 4 May 2005. As of 8 January 2016, the company is also authorised to manage alternative investment funds in accordance with the Swedish Alternative Investment Fund Managers Act (2013:561). E. Öhman J:or Fonder AB is a wholly owned subsidiary of E. Öhman J:or Asset Management AB.

Board of Directors

Chairman: Johan Malm, CEO E. Öhman J:or Fonder AB

Directors:

Fredrik von Baumgarten, managing partner, Osborne Clarke Sweden
 Björn Fröling, director, E. Öhman J:or AB
 Håkan Gustavson, CFO, Beijer Invest AB
 Åsa Hedin, director
 Catharina Versteegh, director, E. Öhman J:or AB

Chief Executive Officer

Pablo Bernengo

Remuneration policy at E. Öhman J:or AB

E. Öhman J:or AB is the parent company of the Öhman Group. The remuneration policy is published on the company's website at www.ohman.se

Auditors

Mona Alfredsson, authorised public accountant
 Ernst & Young AB
 Box 7850
 103 99 Stockholm, Sweden

This report has not been reviewed by the fund management company's auditors.

Depositary

SEB, Securities Services 106 40 Stockholm, Sweden

Funds under management

Öhman Global Growth
 Öhman Global Hållbar
 Öhman Hjärt-Lungfond
 Öhman Småbolagsfond
 Öhman Sweden Micro Cap
 Öhman Sverige Fokus
 Öhman Sverige Hållbar
 Öhman Sverige Smart Beta
 Öhman Etisk Emerging Markets
 Öhman Etisk Index Europa
 Öhman Etisk Index Japan
 Öhman Etisk Index Pacific
 Öhman Etisk Index Sverige
 Öhman Etisk Index USA
 Öhman Global Marknad Hållbar
 Öhman Sverige Marknad Hållbar
 Öhman Fixed Income Allocation
 Öhman FRN-fond SEK
 Öhman Företagsobligationsfond
 Öhman Företagsobligationsfond Hållbar
 Öhman Grön Obligationsfond
 Öhman Obligationsfond SEK
 Öhman Penningmarknadsfond
 Öhman Realräntefond
 Öhman Räntefond Kompass Hållbar
 Öhman Obligationsfond
 Öhman Navigator
 Öhman Stiftelsefond
 Öhman Systematic Cross Asset
 Lärarfond 21-44 år
 Lärarfond 45-58 år
 Lärarfond 59 +
 Nordnet Superfonden Danmark
 Nordnet Superfondet Norge
 Nordnet Superfonden Sverige
 Nordnet Superrahasto Suomi
 Nordnet Räntefond Sverige
 Nordnet Försiktig
 Nordnet Balanserad
 Nordnet Offensiv

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