

ODIN Small Cap 28/02/2026

The fund has share classes in SEK, NOK and EUR: A, B, C, D and U

FUND COMMENTARY

February was a negative month for the fund, and the benchmark index performed better. This means the fund has underperformed for roughly half a year, which is understandably frustrating. The reporting season has now concluded, and overall, the companies delivered slightly better fundamental results than analysts had expected. Risk appetite for small companies remained weak in February, and we also observed significant outflows from small-cap funds in the market, while our own flows were relatively stable. At the same time, capital continued to move into larger Swedish companies — capital that we hope will eventually also benefit smaller companies.

Valuations among small companies remain attractive compared with larger ones, and the portfolio companies have low leverage. We therefore do not believe the fundamental situation is as weak as recent share-price performance may suggest. In our view, the portfolio is well positioned for solid returns going forward.

Portfolio Changes

During the month, we made several adjustments. We received the proceeds from Telia's bid for Bredband2. The company had been the fund's second-largest position at a weight of 5.5%, and we chose to allocate part of the capital to new investments and part to increasing some existing positions.

We sold the remaining shares in Nimbus, a position we have gradually reduced since the autumn following requests for block transactions. We also sold the last shares in Troax, the fund's second-smallest position, following a volatile report.

We re-entered Avanza, as Nordnet has now become significantly larger in terms of market value, and we remain below our upper limit of 35 holdings. For the first time, we also invested in Nolato, a contract manufacturer with a primary focus on Medtech. The company has invested substantial amounts in recent years to meet increasing demand from global customers. We have followed Nolato since 2008 and visited four of their production units in Sweden and one in Switzerland. We have always been impressed by how well-maintained and well-invested the company is. In our assessment, Nolato adds a unique exposure that the fund currently lacks — at a reasonable valuation.

Company Visits and Market Insight

In February, the reporting season continued, and it was encouraging to see the focus once again shift toward the companies themselves rather than broad market trends. At the same time, share-price reactions to certain reports were highly unusual.

By the end of February, all companies in the portfolio had reported. In total, they delivered better results than the market expected. Thirteen companies reported above expectations, seven were in line, and eleven came in weaker than expected.

Share-price movements on reporting days were in some cases dramatic. This was likely due to continued capital outflows from the small-cap segment, which triggered sharp declines in certain stocks. Some companies that rose on the report day later fell back below pre-report levels.

The strongest reports came from Plejd, Lagercrantz, Thule, and MedCap. The weakest came from CTT Systems, Engcon, Harvia, and Troax.

During the month, we held individual meetings with companies including Inwido, and we visited Nolato in Hallsberg. We also listened to presentations from Dynavox, SLP, MedCap, Lime, and cBrain.

Best and Worst Performers

The strongest performers in February were Lagercrantz, Bufab, and Wallenstam.

The weakest were Lime, cBrain, and Engcon.

Closing Remarks: Six Years of Value Creation in a Long-Term Marathon

We remain confident in our companies and their fundamental development, and valuation levels are attractive. We therefore maintain our full focus on long-term value creation in line with the Odin model. Thank you for your trust throughout these first six years!

Portfolio Managers:



Jonathan Schönbäck



Carolina Ahnemark



Philip Mesch

Why invest in this fund?

The Nordic region is perfect for small companies with international ambitions. Corruption is low, living standards are high, ownership structures are clear and there is a culture of investing abroad. We see great potential for increased returns in Nordic small caps, especially the Swedish ones, which is where the main focus lies. Swedish small caps have done better than those in the USA, Europe and the other Nordic countries over the past decade. We believe this trend will continue. As active owners of smaller companies, we also have great influence and can bring about major changes.

How is the fund positioned?

The main focus is on Swedish small caps, as Sweden has the largest investment universe for smaller companies in the Nordic region, with around 350 out of 675 companies in all. The companies in ODIN Small Cap all have a sustainable profile in line with our investment philosophy, the Odin-model. We invest in companies with a strong corporate culture, which are constantly improving through established brands, clear niches, efficiency gains and acquisitions.