

Unaudited semi-annual report as at 30th June 2015

Lancelot Ector

Investment Company (SICAV), Luxembourg

R.C.S. Luxembourg B 54 040



Subscriptions are received solely on the basis of the most recent prospectus and Key Investor Information Document (which may be read under [http:// fundinfo.sebfundservices.lu/ LancelotEctor/](http://fundinfo.sebfundservices.lu/LancelotEctor/)) and the latest audited annual report at 31st December and, if more recent, the unaudited financial statements at 30th June.

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Organisation

Registered Office

4, rue Peternelchen
L-2370 Howald

Board of Directors of the SICAV

Chairman

Tobias JÄRNBLAD
Managing Director
Lancelot Asset Management AB, Stockholm, Sweden

Per LJUNGBERG

Deputy Managing Director
Lancelot Asset Management AB, Stockholm, Sweden

Jean-Claude WOLTER

Honorary Lawyer, Director of Companies
Luxembourg, Grand-Duchy of Luxembourg

Management Company and Central Administration

SEB Fund Services S.A.
4, rue Peternelchen
L-2370 Howald

Board of Directors of the Management Company

Chairman

Gustaf UNGER
Head of Investor Services, Transaction Banking
Skandinaviska Enskilda Banken AB (publ), Sweden

Vice-Chairman

Peter KUBICKI
Head of Wealth Management
SEB Wealth Management, Denmark
(until 2nd March 2015)

Directors

Ralf FERNER
Managing Director
SEB Fund Services S.A., Luxembourg

Göran FORS

Head of Sales and Market Development
Asset Servicing
Skandinaviska Enskilda Banken AB (publ), Sweden

Jonas LINDGREN

Head of Prime Brokerage
SEB Equities, Sweden

Erika LUNDQUIST

Managing Director
Skandinaviska Enskilda Banken S.A., Luxembourg
(since 2nd March 2015)

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Organisation (continued)

	Magnus WALLBERG Deputy Managing Director, CFO/ COO Skandinaviska Enskilda Banken S.A., Luxembourg
Custodian Bank	Skandinaviska Enskilda Banken S.A. 4, rue Peternelchen L-2370 Howald
Sub-Administrative Agent and Registrar Agent	European Fund Administration S.A. 2, rue d'Alsace L-1122 Luxembourg
Investment Manager	Lancelot Asset Management AB Nybrokajen 7, PO Box 16172 SE-103 23 Stockholm
Placement and Distribution Agent	In Sweden Lancelot Asset Management AB Nybrokajen 7, PO Box 16172 SE-103 23 Stockholm
Authorized Placement Agent	In Sweden Consortum AB Wenner-Gren Center Sveavägen 166 SE-113 46 Stockholm
Auditor	PricewaterhouseCoopers, Société coopérative 2, rue Gerhard Mercator L-2182 Luxembourg

Lancelot Ector

General information

Lancelot Ector (the "Company") is an open-ended investment Company incorporated on 28th February 1996 under the laws of the Grand Duchy of Luxembourg as a "*Société d'Investissement à Capital Variable*" ("SICAV"). The Company is registered under Part I of the amended Law of 17th December 2010 relating to undertakings for collective investment.

The Company is structured as an umbrella fund. At the date of the present report, the Company has only one active Sub-Fund:

- Lancelot Ector - Master Fund; expressed in SEK.

The Company issues shares of Class B which can be subscribed and redeemed at the registered office of the Company or the Administrative Agent, through any Distributor or Placement Agent and/ or any sub-distributor or sub-placement agent.

The B Class of Shares corresponding to the Lancelot Ector - Master Fund are issued in the form of categorie being accumulation shares and dividend shares.

The financial year of the Company ends on 31st December.

Subscription and redemption prices are available at the registered office of the Company.

Financial reports of the Company are published annually and semi-annually. At the date of the report, one Sub-Fund is offered for sale. As a consequence, the financial statements of the Sub-Fund Lancelot Ector - Master Fund reflect also the global situation of the Company.

These reports, as well as the offering prospectus, and all information concerning the Company can be obtained at the offices of the following agents: Skandinaviska Enskilda Banken S.A. and Lancelot Asset Management AB.

The financial reports can also be consulted under [http:// fundinfo.sebfundservices.lu/ lancelotEctor/](http://fundinfo.sebfundservices.lu/lancelotEctor/).

European Savings Tax Directive

In accordance with the provisions of the Council Directive 2003/ 48/ EC on the taxation of savings income (the "EUSD") that came into force on 1st July 2005, dividend payments made by a Fund will be subject to the EUSD if more than 15% of such Fund's assets are invested in debt claims and capital gains realised by Shareholders when redeeming their Shares will be subject to the EUSD if more than 25% of such Fund's assets are invested in debt claims. By virtue of the law of 25th November 2014, Luxembourg elected out of the withholding tax system in favour of an automatic exchange of information under the EUSD, this as from 1st January 2015.

On 24th March 2014, the Council of the European Union adopted a Directive which will, when implemented, amend and broaden the scope of the requirements of the EUSD described above, expand the range of payments covered by the EUSD, in particular to include additional types of income payable on securities, and the circumstances in which payments must be reported. The EUSD may however be repealed in due course to avoid overlap with the amended Council Directive 2011/ 16/ EU on administrative cooperation in the field of taxation, pursuant to which Member States will be required to apply other new measures on mandatory automatic exchange of information from 1st January 2016, (notwithstanding any delays in ratification into national law).

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General information (continued)

As per Resolution of the Board of Directors dated 28th June 2005, the classification of Lancelot Ector - Master Fund to be in or out of the scope of the EU-Savings Directive is subject to an Asset Test validated by Board decision. The Company's status arising from such Asset Test applies for one year starting from the 5th month after each financial year-end.

According to Asset Tests performed as at 31st December 2014, Lancelot Ector - Master Fund:

- Is in scope of the EU-Savings Directive for dividends declared and paid out on its dividend shares until 30th April 2016.
- Is in scope for realised capital gains until 30th April 2016.

Dear Shareholder,

ECTOR, Sicav was established as an umbrella fund on 28th February 1996.

Total subscriptions to the Master Fund, initially launched on 13th March 1996 at SEK 10,00 per share, amount to 16,441,750.584 capitalisation shares and 6,355,576.535 distribution shares as of 30th June 2015, representing total assets of SEK 681,164,794. The net asset value per capitalisation share was SEK 33.39 i.e. increase of 233.9% after fees from launch date and increase of 2.87% during the first six months of 2015.

The Master Fund is a so-called balanced fund, which seeks to achieve long-term growth from diversified investments both in equities and bonds. The asset allocation is flexible with the equity part primarily invested in Swedish listed stocks but with the possibility of international diversification. The bond portion of the portfolio shall to a large extent be invested in Swedish bonds with low credit risks.

Global economy and financial markets (market review)

Based on the OECD Economic Outlook from May, global growth is projected to strengthen in the course of 2015 and 2016, but will remain modest relative to the pre-crisis period and its global distribution will change from that in recent years. The acceleration is underpinned by very supportive monetary conditions, a slower pace of fiscal consolidation, financial repair and lower oil prices. The appreciation of the US dollar against most currencies has led to a significant realignment in exchange rates since mid-2014. The resulting relative price effects are shifting global demand more toward Europe, Japan and some emerging market economies. Growth in other emerging economies is slowing due to specific factors in China, Brazil and Russia. After turning slightly negative in early 2015, growth in the US is projected to recover thanks to supportive, though gradually less accommodative, monetary conditions, less fiscal drag, lower energy prices and an ongoing increase in household wealth. However, the pick-up will be tempered by the stronger dollar and falling investment in the energy sector. In the euro area and Japan activity will be supported by lower oil prices, currency depreciation and monetary policy stimulus. Fiscal adjustment is expected to be slower in Japan and pause in the euro area, which will also support growth. In China growth is projected to edge down as the restructuring of the economy progresses, with services taking over from investment and real estate as the main driver of economic growth. In contrast, growth is set to pick up in other main emerging market economies, e.g. Russia, Brazil (low growth) and India (stable). According to the Outlook, the unemployment rate in the OECD area will fall to 6.5 per cent by the end of 2016. Even then, 40 million people will still be out of work, 7.5 million more than immediately before the crisis. Stronger growth and tightening labour markets are projected to gradually push up inflation on the assumption that exchange rates and oil price stabilise and that inflation expectations remain well anchored.

The Federal Reserve (Fed) left its target range for the fed funds rate at zero to 0.25 per cent, but kept projections on track to raise rates this year for the first time in almost a decade. However, interest rate estimates from the Federal Open Market Committee signalled that the pace of tightening will be slow. The US recovery stalled in the first quarter amid a port strike, dollar surge and freezing weather, pushing back expectations for a Fed rate increase. In its June assessment the central bank said the economy is now expanding moderately following the first-quarter setback as it pointed to growth in consumer spending and some improvement in the housing sector, alongside a pickup in employment. Investment and export remained soft, however. In January the European Central Bank (ECB) belatedly introduced an asset purchase programme to fend off the threat of deflation and support an economic recovery in the euro area. The assets purchases of EUR 60 bn per month are intended to run until the end of September 2016 or until a sustained adjustment in the path of inflation that is consistent with the bank's aim of achieving inflation rates below, but close to 2 % over the medium term is established. Although economic growth already had bottom out before the programme was

announced, the monetary policy easing supported activity via a broad-based easing in financial conditions, a recovery in inflation expectations and more favourable borrowing conditions for firms and households. Japan's central bank (BoJ) held its monetary policy settings steady. The BoJ is already buying JPY 80tn of assets per year in an effort to combat deflation and revive the economy. After its June meeting the central bank said that the economy "has continued to recover moderately" and that "prices appear to be rising on the whole from a somewhat longer-term perspective", though it acknowledged CPI is likely to be around zero because of lower energy costs. In Sweden, the Riksbank noted that the highly expansionary monetary policy it employs has started to impact the economy and inflation in a positive way. To ensure this development continues the Riksbank decided to increase its bond buying programme by SEK 40-50 bn to SEK 80-90 bn. In addition the repo rate was cut to minus 0.25 per cent earlier in the year. The People's Bank of China reduced the one-year lending rate to 4.85 per cent amid signs of further economic slowdown. With inflation at half the official target, real interest rates have hovered near the highest since 2009, even as the central bank continued to slash borrowing costs and reserve requirement for the banks.

The sudden and violent price declines (higher yields) in the sovereign bond markets of Europe and the US in April/ May drew a lot of attention. The primary driver were German government bonds, and the so-called German Bunds experienced the sharpest daily moves since the inception of the eurozone in 1999, a period that includes the bursting of the technology bubble in 2000-01, the 2008 global financial crisis and the near disintegration of the eurozone in 2012. At the same time, US Treasuries registered the greatest number of "high volatility" days since 2011. There were of course many factors behind the volatility, not least the fact that interest rates were extremely aggressively priced, i.e. rates were unsustainably low, and particularly so in Germany. Deflation fears and the ECB asset purchasing programmes drove rates down to extreme levels, and Bunds up to the nine-year maturity point were trading at negative nominal yields while the benchmark 10-year declined to as low as 5 basis points or 0.05 per cent. With less general fear of outright deflation in Europe, crowded positioning and less liquidity provided by more risk-averse broker-dealers, the end result was highly amplified yield impact as many investors sold at the same time.

The strengthening trend of the US dollar that took place during the second half of 2014 came to a halt, but the US currency still ended a mixed period mostly on a stronger note. It fell somewhat vis-à-vis the pound sterling, but strengthened against the yen, the euro and the Swedish krona. Apart from the fact that most investors and traders were long the US dollar by the turn of the year, the more dovish tone of the Fed reduced expectations of a central bank interest rate increase by early autumn, thereby possibly leading to the more mixed dollar performance. The euro held its own despite the continuing Greek saga, partly because the foreign exchange market seems to believe the policy makers' rhetoric that Greece has been ring-fenced to a significant extent. Back in 2012, when the euro crisis Part One took place, there was a feeling that there was a systematic risk to the global financial system. Since most of the Greek debt now is owned by non-private investors, the more relaxed attitude is not without merit. In the commodity space the Thomson Reuters CRB index (about a third is petroleum products) fell by 1.5 per cent. Crude oil prices recovered after last year's collapse and rose by 13 per cent. The price of gold was stable at around USD 1 170 an ounce.

Global stock markets had a strong first three months but suffered a set-back during the second quarter. The eurozone and Japan outperformed, while North America underperformed. This development largely reflected the relative competitive position of the different currency areas, which perhaps is understandable in a world of low growth. For the period, the EU markets rose by 6.5 per cent in local currency terms (MSCI), with the Nordic region 11 per cent higher. Among the best performing European bourses were Ireland (+21 %), Italy (+ 17 %) and Portugal (+16 %), but Switzerland actually fell by nearly 3 per cent. In Sweden, the equity market rose by 6 per cent. The North American region rose 0.6 per cent (USA +0.7 per cent) while the Pacific region ex Japan ended the period up 3 per cent. The Japanese market rose by 15 per cent.

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Report on activities of the Board of Directors (continued)

For the first six months of 2015, the world index increased by 3.01 per cent in local currency terms and by 7.95 per cent in Swedish krona terms.

The Fund (performance review)

As of 30th June 2015 the Swedish equity exposure amounted to 2.80%, international equity exposure amounted to 25.56%, bonds amounted to 67.47% and cash and other assets amounted to 4.17% of total net asset value. The equity portion of the Fund was decreased during the first half of the year from approximately 35 % to 28 %. The duration of the bond portfolio at the end of the period was 1.5 years.

Some changes were made in the equity portfolio during the first six months of 2015. The entire position in *SKF* was sold in two tranches as the stock price appreciated sharply at the beginning of the year. The investment, initiated in October 2014, yielded a total shareholder return of 125 per cent per annum. Such short-term returns are of course in no small part the result of luck and not likely to be repeated with any frequency. Further, roughly two percentage points of the position in *Volvo* was sold with a total yearly return of 26%. The nowadays international drugstore operator *Walgreens Boots Alliance*, formerly known as just Walgreens, has been a pleasing investment since it was initiated in February 2012. The stock was bought at a stock price of USD 34 when the company was a US operator with a solid history but stalling growth. Today the stock is trading at USD 88, and WBA (a combination of Walgreens and Boots) is in the process of becoming the first pharmacy-led, health and well-being enterprise in the world. Portfolio reasons led to a reduction of the WBA position by approximately one percentage point. A reassessment of the investment in *Lanxess* resulted in a sale of the entire position. Unfortunately, the 18-months investment just about managed to break even, positive forex effects included.

In first six months of 2015 the value of the Fund increased by 2.87%. The main positive contributors to the Fund's performance including foreign exchange movements were Volvo, SKF and Walgreens Boots Alliance. Danaher on the other hand lagged. Performance from the bond portfolio was positive.

Modest global growth of about 3% is perhaps the best scenario for risk markets as the period of high earnings and historically elevated margins would be extended, thereby allowing equity markets to play catch-up with the somewhat high valuation. The debate over inflation/ deflation (bond prices), the growth environment (China, emerging economies, Greece/ eurozone), and liquidity withdrawals is in this context relevant and important. Bond yields have risen since the turn of the year and the fear of a broad based deflationary environment in especially the eurozone is now played down. Instead US treasuries yields have steadily climbed from a low base, reflecting that the US is first in line to possibly withdraw monetary support if the economy is strong enough. In the eurozone, the German Bund yield has since the beginning of the year almost doubled from an admittedly unsustainable low level. Looking forward, there is a probability that the US Treasury market will front run the Fed just like it usually does as the chance of a potential rate hike increases and inflation data, although still tame, could surprise marginally on the upside (wage increases). Interestingly, the Fed has focused attention on the "gradual" nature of the likely upward path for interest rates after the first hike. But productivity in the US, and most western economies and China, has been very weak during the recovery, and potential GDP growth depends on underlying productivity growth and growth in the labour force. Now that excess capacity has been nearly eliminated on many estimates, the growth rate in potential GDP could become a limitation on the economy. The end result would be that short-term interest rates would need to rise more rapidly, and long-term rates may rise by less, because real long-term interest rates would probably decline with the underlying GDP growth rate. The Fed are more clearly signaling a transition in which interest rates are moving in line with an improvement in the broader economy that includes stronger wage growth and inflation closer to target. Policymakers want to make sure the signals they send are consistent with the path of activity. But it is a fine balancing act. This is one of those situations where the longer the Fed waits to start the process of

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Report on activities of the Board of Directors (continued)

normalization, the more likely it is that the Fed will face a nasty dilemma. The dilemma will be that they will realize that they need to tighten policy very abruptly to control inflation. And of course if they were to do that, that would risk growth.

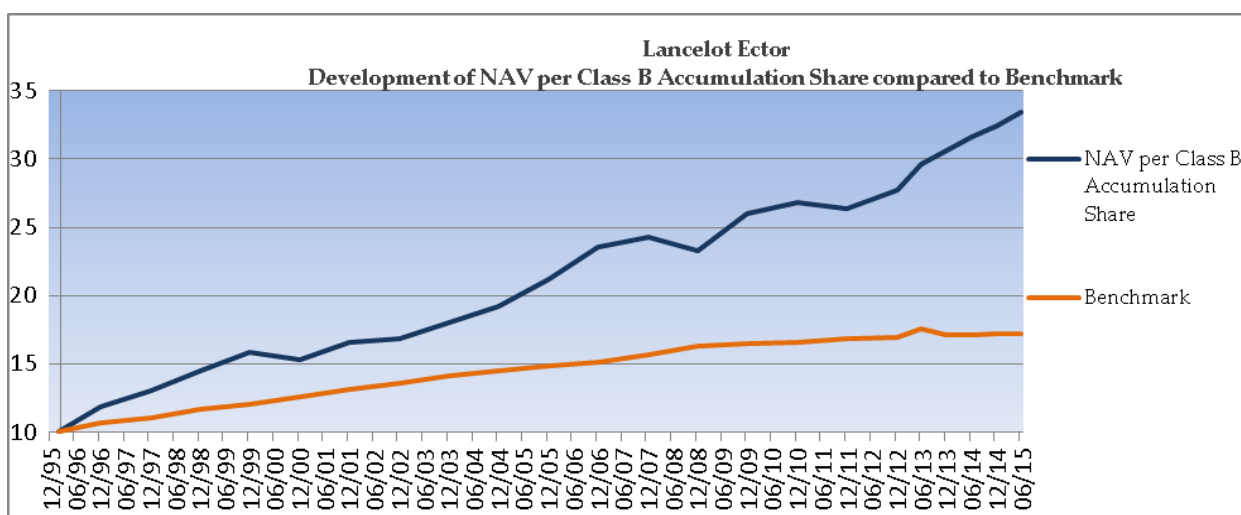
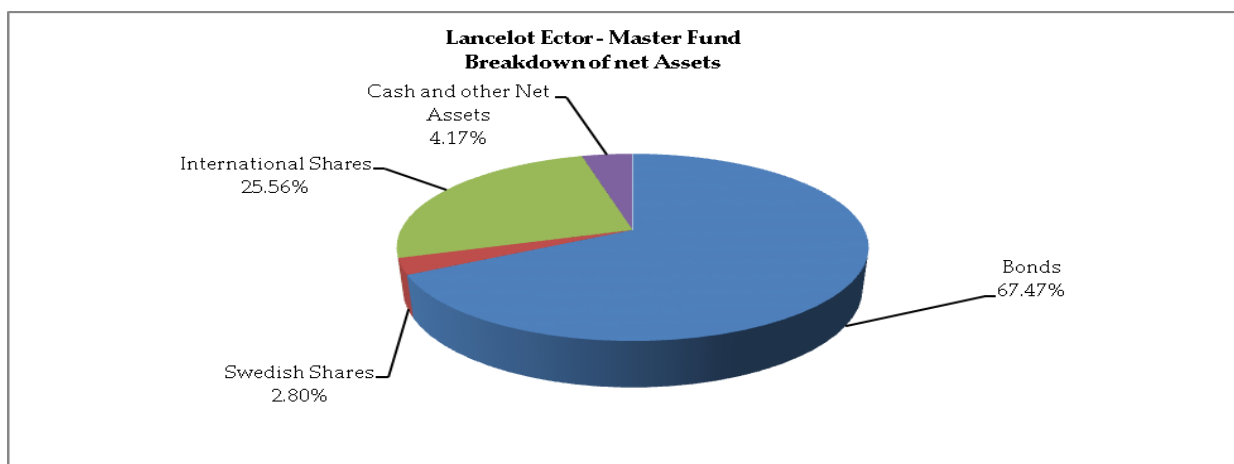
Luxembourg, 28th July 2015

The Board of Directors

Note: The information in this report represents historical data and is not an indication of future results.

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Graphics



Year	NAV Development	Benchmark Development	Year	NAV Development	Benchmark Development
1996	18.75% *	6.56% *	2006	10.86%	2.26%
1997	9.72%	3.97%	2007	3.15%	3.44%
1998	10.84%	5.02%	2008	-4.28%	4.11%
1999	9.51%	3.53%	2009	11.90%	1.19%
2000	-2.97%	4.28%	2010	3.12%	0.33%
2001	7.79%	4.31%	2011	-1.68%	1.61%
2002	1.73%	3.95%	2012	5.05%	0.92%
2003	7.22%	3.55%	2013	10.69%	0.69%
2004	6.26%	2.77%	2014	5.91%	0.79%
2005	10.74%	2.15%	2015	2.87%**	0.04%**

* Relating to the period 15/ 03/ 1996 to 31/ 12/ 1996, i.e. since the Fund's inception.

** Relating to the period 01/ 01/ 2015 to 30/ 06/ 2015.

Lancelot Ector - Master Fund

Statement of net assets (in SEK)

as at 30th June 2015

Assets

Securities portfolio at market value	652,786,227
Cash at banks	28,922,508
Receivable on issues of shares	249,920
Income receivable on portfolio	1,696,806
Interest receivable on bank accounts	86
Unrealised gain on forward foreign exchange contracts	1,235,920
Other receivables	142,273
Prepaid expenses	141,476
Total assets	685,175,216

Liabilities

Payable on redemptions of shares	24,844
Expenses payable	3,985,578
Total liabilities	4,010,422
Net assets at the end of the period	681,164,794

Number of Class B Accumulation Shares outstanding	16,441,750.584
Net asset value per Class B Accumulation Share	33.39
Number of Class B Dividend Shares outstanding	6,355,576.535
Net asset value per Class B Dividend Share	20.80

The accompanying notes are an integral part of these financial statements.

Lancelot Ector - Master Fund

Statement of operations and other changes in net assets (in SEK)

from 1st January 2015 to 30th June 2015

Income

Dividends, net	2,330,915
Interest on bonds and other debt securities, net	2,808,734
Interest on bank accounts	86
Other income	244,057
Total income	5,383,792

Expenses

Management fees	3,342,198
Performance fees	3,157,157
Transaction fees	90,492
Central administration costs	437,732
Professional fees	67,976
Other administration costs	127,197
Subscription duty ("taxe d'abonnement")	168,757
Interest paid on bank overdrafts	10
Other expenses	110,265
Total expenses	7,501,784

Net investment loss	-2,117,992
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Net realised gain/(loss)

- on securities portfolio	24,243,360
- on forward foreign exchange contracts	-10,664,079
- on foreign exchange	-1,350,666
Realised result	10,110,623

Net variation of the unrealised gain/(loss)

- on securities portfolio	1,814,623
- on forward foreign exchange contracts	5,507,339
Result of operations	17,432,585

Dividends paid	-3,969,009
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Subscriptions	83,296,668
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Redemptions	-20,357,243
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Total changes in net assets	76,403,001
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Total net assets at the beginning of the period	604,761,793
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Total net assets at the end of the period	681,164,794
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The accompanying notes are an integral part of these financial statements.

Lancelot Ector - Master Fund

Statistical information (in SEK)

as at 30th June 2015

Total net assets	
- as at 30.06.2015	681,164,794
- as at 31.12.2014	604,761,793
- as at 31.12.2013	812,064,004
Number of Class B Accumulation Shares	
- outstanding at the beginning of the period	14,553,714.913
- issued	2,471,624.358
- redeemed	-583,588.687
- outstanding at the end of the period	16,441,750.584
Net asset value per Class B Accumulation Share	
- as at 30.06.2015	33.39
- as at 31.12.2014	32.46
- as at 31.12.2013	30.65
Number of Class B Dividend Shares	
- outstanding at the beginning of the period	6,348,382.957
- issued	48,030.739
- redeemed	-40,837.161
- outstanding at the end of the period	6,355,576.535
Net asset value per Class B Dividend Share	
- as at 30.06.2015	20.80
- as at 31.12.2014	20.84
- as at 31.12.2013	20.27
Dividend paid	
Ex-dividend date	20.01.2015
Dividend per share	0.6252
Shares outstanding at dividend date	6,348,382.957

The accompanying notes are an integral part of these financial statements.

Lancelot Ector - Master Fund

Statement of investments and other net assets (in SEK)

as at 30th June 2015

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
Automobiles and components					
SEK	185,000	Volvo AB B	16,219,920	19,036,500	2.80
Banks					
USD	182,800	Bank of America Corp	10,915,621	25,825,292	3.79
USD	40,500	Citigroup Inc	13,907,081	18,570,268	2.73
USD	37,700	JPMorgan Chase & Co	14,195,976	21,204,314	3.11
			39,018,678	65,599,874	9.63
Capital goods					
USD	32,700	Danaher Corp	18,172,477	23,231,661	3.41
USD	25,000	PulteGroup Inc	4,445,141	4,181,427	0.61
			22,617,618	27,413,088	4.02
Food and drug retailing					
USD	20,100	Walgreens Boots Alliance Inc	4,811,584	14,088,144	2.07
Food, beverage and tobacco					
GBP	306,780	Britvic Plc	11,357,092	28,729,064	4.22
USD	5,000	Hershey Co (The)	3,652,411	3,686,711	0.54
EUR	39,925	Unilever NV Certif of Shares	8,016,481	13,783,337	2.02
			23,025,984	46,199,112	6.78
Insurance					
USD	1,720	Markel Corp	7,096,738	11,431,334	1.68
Software and services					
USD	25,600	Microsoft Corp	9,225,801	9,381,670	1.38
Total shares			122,016,323	193,149,722	28.36
Bonds					
Corporate bonds					
SEK	25,000,000	Castellum AB FRN MTN Ser 100 12/ 03.09.15	25,110,950	25,080,125	3.68
SEK	10,000,000	Castellum AB FRN Sen 15/ 13.03.20	10,000,000	9,956,100	1.46
SEK	10,000,000	Fortum Varme Hg SM St stad AB 1.5% MTN 14/ 16.09.19	9,944,200	10,078,950	1.48
SEK	10,000,000	Husqvarna AB FRN Sen 12/ 28.11.17	10,000,000	10,374,550	1.52
SEK	10,000,000	Jernhusen AB 2.375% Ser 102 13/ 23.04.18	9,981,400	10,482,200	1.54
SEK	17,000,000	Jernhusen AB FRN Ser 104 13/ 19.09.23	17,665,210	17,280,075	2.54
SEK	30,000,000	Sveaskog AB FRN DMTN 14/ 22.01.20	30,000,000	30,064,050	4.41
SEK	25,000,000	Sveaskog AB FRN Sen 14/ 30.10.23	25,000,000	24,594,000	3.61
SEK	15,000,000	Swedavia AB FRN MTN Ser 104 13/ 09.05.16	14,995,500	15,021,375	2.21
SEK	30,000,000	Vasakronan AB FRN Ser 435 13/ 30.01.17	30,375,000	30,258,900	4.44
SEK	7,000,000	Willhem AB 0.7% Sen 15/ 11.02.19	6,996,570	6,942,005	1.02
			190,068,830	190,132,330	27.91

The accompanying notes are an integral part of these financial statements.

Lancelot Ector - Master Fund

Statement of investments and other net assets (in SEK) (continued)

as at 30th June 2015

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Financial Institution bonds					
SEK	25,000,000	Danske Bank A/ S 1.375% EMTN 14/ 27.08.18	24,908,500	25,443,750	3.74
SEK	25,000,000	Nordea Hypotek AB 2.25% Ser 5530 13/ 19.06.19	26,718,250	26,366,750	3.87
SEK	25,000,000	SBAB Bank AB FRN EMTN Sen 12/ 23.03.17	25,263,500	25,637,625	3.76
SEK	25,000,000	SBAB Bank AB FRN EMTN Sen 13/ 11.10.18	25,000,000	25,270,125	3.71
SEK	20,000,000	Skandinaviska Enskilda Banken 3% 13/ 19.06.19	21,974,200	21,675,800	3.18
SEK	20,000,000	Swedish Export Credit FRN EMTN Sen 12/ 15.08.16	20,000,000	20,069,000	2.95
			143,864,450	144,463,050	21.21
Government guaranteed bonds					
SEK	20,000,000	Kommuninvest I Sverige AB 2.25% Ser 1903 13/ 12.03.19	21,633,400	21,251,800	3.12
SEK	25,000,000	Kommuninvest I Sverige AB 2.5% Ser 2012 13/ 01.12.20	27,473,750	26,792,750	3.93
			49,107,150	48,044,550	7.05
Municipal bonds					
SEK	30,000,000	Stockholm (City of) 1.63% EMTN 14/ 17.04.18	29,980,500	31,039,500	4.56
SEK	25,000,000	Stockholms Lans Landsting 2.125% EMTN Sen 14/ 19.05.20	24,982,000	26,105,375	3.83
			54,962,500	57,144,875	8.39
Sovereign bonds					
SEK	20,000,000	Specialfastigheter Sverige AB FRN EMTN Sen 14/ 23.06.20	20,000,000	19,851,700	2.91
Total bonds			458,002,930	459,636,505	67.47
Total investments in securities			580,019,253	652,786,227	95.83
Cash at banks				28,922,508	4.25
Other net assets/ liabilities				-543,941	-0.08
Total				681,164,794	100.00

The accompanying notes are an integral part of these financial statements.

Note 1 - Significant accounting policies

a) Presentation of the financial statements

The financial statements of the Company are established in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment.

b) Valuation

- 1) Securities admitted to official listing on a stock exchange or which are traded on another regulated market which operates regularly and is recognised and open to the public within the EU or the OECD Member States are valued on the base of the last known sales price. If the same security is quoted on different markets, the quotation of the main market for this security will be used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be done in good faith by the Board of Directors or its delegate with a view to establishing the probable sales prices for such securities.
- 2) Non-listed securities are valued on the base of their probable sales price as determined in good faith by the Board of Directors and its delegate.
- 3) Liquid assets are valued at their nominal value plus accrued interest.
- 4) Time deposits are valued at their yield value if a contract exists between the Company and the Custodian Bank stipulating that these time deposits can be withdrawn at any time and their yield value is equal to the realized value.
- 5) All assets denominated in a different currency than the respective Sub-Fund's currency are converted into this respective Sub-Fund's currency at the exchange rates used for the respective Valuation Day.
- 6) Financial instruments which are not traded on the futures exchanges but on a regulated market are valued at their settlement value, as stipulated by the Company's Board of Directors in accordance with generally accepted principles, taking into consideration the principles of proper accounting, the customary practices in line with the market, and the interests of the shareholders, provided that the above-mentioned principles correspond with generally accepted valuation regulations which can be verified by the auditor.

c) Net realised gain/ (loss) on sales of securities

The net realised gain/ (loss) on sales of securities is determined on the basis of the average cost of securities sold.

d) Cost of securities

The acquisition cost of a security denominated in a currency other than that of the Sub-Fund is converted to the Sub-Fund's currency at the exchange rate prevailing on the date of purchase.

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Notes to the financial statements (continued)

as at 30th June 2015

e) Exchange translation

Bank balances, other assets and liabilities and the value of securities held that are denominated in other currencies than the Sub-Fund's currency are converted at the prevailing exchange rate of the closing day. Income and expenses incurred in currencies other than the Sub-Fund's currency are converted at the prevailing exchange rate of the day of each transaction. Exchange gains and losses are recorded in the statement of operations and other changes in net assets.

At the date of the report, the prevailing exchange rates on the closing day were as follows:

1	SEK	=	0.1082030	EUR	Euro
			0.0766174	GBP	Pound Sterling
			0.9485941	NOK	Norwegian Krona
			0.1204732	USD	US Dollar

f) Investment income

Dividend income is recognised on an ex-dividend basis and is recorded net of withholding tax.

Interest income is accrued on a *pro rata temporis* basis, net of any withholding tax.

g) Forward foreign exchange contracts

Forward foreign exchange contracts are valued at prevailing market rates for the remaining period from valuation day to the maturity of the contracts. Unrealised gain/ (loss) is recorded in the statements of net assets. Net variation of the unrealised gain/ (loss) and the net realised gain/ (loss) are recorded in the statement of operations and other changes in net assets.

h) Transaction fees

Transaction costs disclosed under the caption "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Company relating to purchases or sales of securities and of fees relating to liquidation of transactions paid to the custodian bank.

Note 2 - Subscription, redemption and conversion fees

Shares of Class B are subscribed at an issue price based on the Net Asset Value per Share on the relevant Valuation Day. No subscription fee is charged.

The price to be paid in respect of each share tendered for redemption (the "Redemption Price") is the Net Asset Value.

Note 3 - Management Company

For infrastructure supplies, the Management Company is entitled to receive out of the Sub-Fund's assets a fee of maximum 0.025% p.a.. This fee is payable monthly in arrears based on the Sub-Fund's net assets calculated daily during the relevant month.

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Notes to the financial statements (continued)

as at 30th June 2015

For its services, the Investment Manager, Lancelot Asset Management AB, Stockholm, is entitled to receive an Investment Management Fee received by the Management Company on behalf of the Investment Manager of maximum 1% p.a.. This fee is payable monthly in arrears based on the Sub-Fund's net assets calculated daily during the relevant month.

These fees are recorded under the caption "Management fee" in the statement of operations and other changes in the net assets.

Note 4 - Performance fee

A Performance Fee is paid out of the Sub-Fund's assets to the Investment Manager. The Performance Fee is 15% of the amount by which the relevant Sub-Fund's total return, based on the Net Asset Value at the beginning and at the end of the relevant year and after accrual of the fixed fee, outperforms on a year to year basis the agreed benchmark return. The Benchmark return is in the case of the Lancelot Ector - Master Fund the twelve months' interest on Swedish Treasury Bills at 31st December of the prior year, as published in the financial media or a corresponding benchmark which is generally recognized, auditable and approved by the Board of Directors, should no twelve months Swedish Treasury Bills be in issue at this date. Negative performances, if any, are not carried forward or taken into consideration.

Since there was no 12-month Swedish Treasury Bill in issue as of the 31st December 2014, the Benchmark return was determined by interpolating between the market rate of a the Swedish Treasury Bond 1049 with maturity in August 2015 and the market rate of the Swedish Treasury Bond 1050 with maturity in July 2016, where the rates are converted from 30/ 360 to actual/ 360 day convention. Based on the market rates as per the closing of the market of the last bank business day of 2014 and the aforementioned methodology, the Benchmark returned 0.079%.

At the date of the report, the performance fee was recorded for the following Sub-Fund and amounted to :

Lancelot Ector - Master Fund	SEK 3,157,157
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Note 5 - Central administration costs

For its services to the Company, the Management Company is entitled to receive, out of the Sub-Fund's assets an administration fee of maximum 0.13% p.a. payable monthly in arrears based on the Sub-Fund's net assets calculated daily during the relevant month with a minimum fee of EUR 3,330 per month. This fee includes the fee due to the Custodian Bank.

The Management Company is furthermore entitled to receive out of the Sub-Fund's assets for the Registrar and Transfer Agent function an annual flat fee per share Class, in accordance with Luxembourg customary banking practice.

This fee is recorded under the caption "Central administration costs" in the statement of operations and other changes in the net assets.

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Notes to the financial statements (continued)

as at 30th June 2015

Note 6 - Withholding tax refund

The Company has claimed withholding taxes in Sweden for the years 2010 and 2011. Since 2012 the Swedish State has discontinued the former withholding tax on dividends of Swedish issuers paid to EU resident funds such as Lancelot Ector.

The Company has claimed withholding taxes in Norway for the period from 2008 to 2013 and in Finland for the years 2009 to 2013. During the first half of 2015 the Fund has received a decision from the tax authorities regarding Norwegian tax reclaim for 2010 and the amount of NOK 221,116.50 has been paid to the Fund.

Note 7 - Subscription duty ("taxe d'abonnement")

The Company is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the Company is subject to an annual subscription duty ("taxe d'abonnement") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter.

According to Article 175 (a) of the amended Law of 17th December 2010 the net assets invested in Undertakings for Collective Investments already subject to the "taxe d'abonnement" are exempt from this tax.

Note 8 - Forward foreign exchange contracts

As at 30th June 2015, the following Sub-Fund is committed in the following forward foreign exchange contracts with Skandinaviska Enskilda Banken S.A., Luxembourg:

Lancelot Ector - Master Fund

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
EUR	185,751	SEK	1,737,831	27.08.2015	-21,792
EUR	366,601	SEK	3,427,683	27.08.2015	-40,883
SEK	18,323,418	EUR	1,980,054	27.08.2015	30,926
SEK	25,294,167	GBP	1,942,045	27.08.2015	-14,281
SEK	66,754,694	USD	7,891,745	27.08.2015	1,323,304
SEK	1,089,492	USD	132,252	27.08.2015	-7,025
SEK	2,548,166	USD	309,879	27.08.2015	-21,077
USD	86,798	SEK	732,905	27.08.2015	-13,252
					<u>1,235,920</u>

Note 9 - Changes in investment portfolio

The statement of changes in the investment portfolio for the period covered by the report is available free of charge upon request from the registered office of the Company.

Lancelot Asset Management AB
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