

Risk information

Past returns are no guarantee of future returns. The money invested in the fund may increase or decrease in value and it is not certain that you will get back all the capital you have invested. The key investor information document and prospectus can be found at www.lannebofonder.se.

The fund's investment policy

Lannebo Europe Small Cap is an actively managed equity fund that invests in small and medium sized enterprises listed in Europe. The companies' market capitalization at the time of investment may not exceed EUR 5 bn. Equities are selected based on the fund manager's own assessments, therefore deviations from the benchmark index can be both larger and smaller over time. Investments are made with a long term horizon.

The fund targets those who:

- want to invest in small and medium-sized companies listed in Europe.
- want an actively managed fund with investments based on a clear understanding of each individual company.

Fund manager comment

The European Small Cap market has been affected by the presidential election in the US where focus has been on the expected expansionary fiscal policy which the cyclical companies are likely to benefit from. The Small Cap universe measured in SEK is slightly down but has performed a little better than the European Large Cap Index. The Lannebo Europe Small Cap fund has underperformed the European Small Cap Index by approximately 3.5 per cent in the month partly due to our focus on quality companies and less on cyclical companies.

Alimak, the hoist, elevator and platform producer, has been a positive contributor in November. Order momentum has turned positive in the quarter combined with strong service business. The acquisition of FAG will improve the service business further and enhance EPS by around 20%. We have added to our position in November.

Rotork from UK has also been a positive contributor in November. The company is a market leader within productions of actuators and flow control with a high exposure to the Oil & Gas industry. Even though that market conditions has been difficult, the company has been able to maintain very high margins. The order momentum starts to point in the right direction.

Patrizia, the German property asset manager, has been a negative contributor in November. The guidance for 2017 was a disappointment and even though we assess that the guidance is conservative, we believe that the forecast in the market needs to be downgraded. The company could see lower inflow from clients due to an increase in the interest rate which will hit both the recurring management fee and the performance related fees. We have therefore decided to sell our entire position.

Inwido, the leading manufacturer of windows and doors in the Nordic market, has also been a negative contributor. In the quarterly result, the management communicated that the organic growth was negative mainly related to Sweden. We assess the organic growth will turn positive next year and we therefore believe that the negative share price reaction has been overdone. We have maintained our position.

Three new companies have been added to the portfolio in November. Volution Group is a supplier of ventilation products in the UK and northern Europe. The repair & maintenance market in UK has been difficult lately but Volution has been able to grow the business within new-build and by value added acquisitions outside UK. Five years ago Volution had nearly no international exposure while it now derives 32% of its revenues from outside the UK. This tendency is expected to continue.

Skandiabanken is a Norwegian online retail bank which is mainly exposed to mortgage loans. The bank is expected to gain significant market share in the coming quarters as the competitors has announced rate hikes and Skandiabanken has decided not to follow in the short term. The loan losses are low and the return on equity is above its peers. We see strong growth opportunities for the bank within mortgage and cross selling of other banking services.

SpareBank 1 Nord-Norge, located in Northern Norway, is serving primarily retail clients and small or medium size businesses. The bank has a cautious risk profile and a very low exposure to the Oil & Gas industry. The balance sheet is strong and with focus on cost reduction, we believe the return on equity will increase in the coming years.

Performance, %	Lannebo Europe Small Cap	MSCI Europe Small cap index
November 2016	-2.5	0,0
Year-to-date 2016	-4.3	1,4

Monthly performance, %					
Jan	Feb	Mar	Apr	May	Jun
Jul	Aug	Sep	Oct	Nov	Dec
			-1.8*	-2.5	

* Performance since the fund's inception Oct 17 2016 until Oct 31 2016.

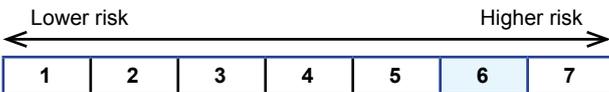
10 largest holdings

	% of the portfolio
Arrow Global Group	4.7
Dürr	4.7
dorma+kaba	4.6
Stabilus	4.5
Aurelius Eq Opp&Co KGaA	4.2
Alimak	3.9
AAK	3.9
Greencore Group	3.8
Beazley	3.8
Palfinger	3.7
Total 10 largest holdings	41.9
Cash	5.2
Total number of holdings	33

Major changes during the month

Buy	Sell
Volusion Group	Patrizia
Skandiabanken	
SpareBank 1 Nord-Norge	

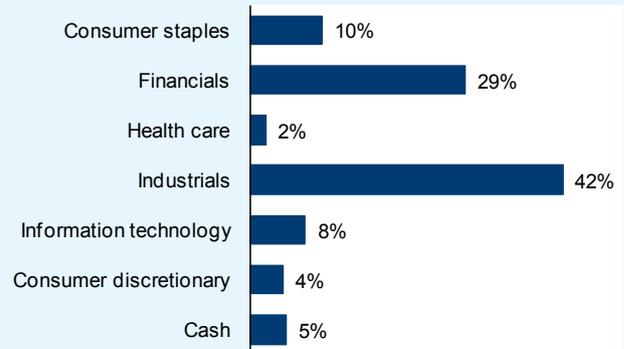
Risk and reward profile



Fund facts

Fund manager	Carsten Dehn & Ulrik Ellesgaard
Launch date	10/17/2016
NAV per unit, SEK	9.57
Fund size, SEK millions	266
Management fee	1.6%
Bankgiro	5140-8037
ISIN	SE0008092290
Trading frequency	Daily
Minimum investment amount	100 SEK
PPM number	891 507
Supervisory authority	Finansinspektionen

Sector allocation



Financial ratios

	Lannebo Europe Small Cap	MSCI Europe Small Cap Index
Sharpe ratio	n/a	n/a
Total risk, %	n/a	n/a
Tracking error	n/a	
Information ratio	n/a	
Alfa	n/a	
Beta	n/a	
Active share, %	n/a	
Portfolio turnover ratio	n/a	

Explanations

Small cap index	MSCI Europe Small Cap Index. The unit price of the fund is set before the price of the index is calculated. This can sometimes result in a misleading comparison between the two.
Sharpe ratio	A measure of the fund's return taking into account the total risk the fund has had during the period. Calculated as the ratio between the fund's return minus the risk-free rate of return and the fund's total risk (standard deviation). The information is based on monthly data and relates to the latest 24 months.
Total risk	Given as the standard deviation of variations in the total return of the fund or index. The information is based on monthly data and relates to the latest 24 months.
Tracking error	A measure that describes how closely the performance of the fund tracks the performance of the benchmark index. Calculated as the standard deviation of the difference between the return on the fund and a benchmark index. The information is based on monthly data and relates to the latest 24 months.
Information ratio	A measure of risk-adjusted return. This is measured as the active return divided by the portfolio's active risk. The information is based on monthly data and relates to the latest 24 months.
Alpha	Describes the effect of the portfolio manager's decisions on the return of the fund. A positive alpha value is the extra return which an investor receives for having taken greater risks than the market. The information is based on monthly data and relates to the latest 24 months.
Beta	Describes the sensitivity of the fund's value to changes in the market's value. The beta value reports how much the fund's value changes in percentage terms when the market's value changes by one percentage point. The information is based on monthly data and relates to the latest 24 months.
Active share	A measure of the proportion of the portfolio that differ from the benchmark.