

### 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](http://www.lannebofonder.se). Please note that Lannebo Fonder does not produce investment recommendations or other information recommending or suggesting an investment strategy. Information in this monthly report should not be seen as anything other than a statement of the fund's trading activities and holdings.

### 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 equity market increased in July, which was also reflected in the MSCI Europe Small Cap Index, which increased by 1.1% measured in EUR (0.2% in SEK). The strong economic indicators in Europe are also mirrored in the reports from the companies. Even though European equities have shown solid performance over the past year, we assess that the fundamentals are still attractive.

The fund performance was 1.5% in EUR and 0.6% in SEK, equal to an outperformance of 0.4%-points for July. Year to date the excess return versus the benchmark is 8.6%-points net of fees.

The most positive contributors in July were Keywords Studios and Skandiabanken.

Keywords Studios is a new company in the portfolio. It is a global service provider to the video games industry, delivering a range of solutions including art creation, testing and customer support. The gaming market is growing more than 6% per year and Keywords Studio is able to gain significant market share in that market, driven by high organic growth and value added acquisitions. Keywords Studio just delivered an impressive result confirming our investment case.

Skandiabanken outperformed the market on the back of a fast growing mortgage book and an increase in its mortgage rates by 15bp which will be very beneficial to earnings. The bank will report Q2 result mid August. In that connection, it will be interesting to follow the success within cross selling, i.e. selling car loans and consumer credits which have higher lending margin.

The most negative contributors in July were Le Noble Age and Inwido.

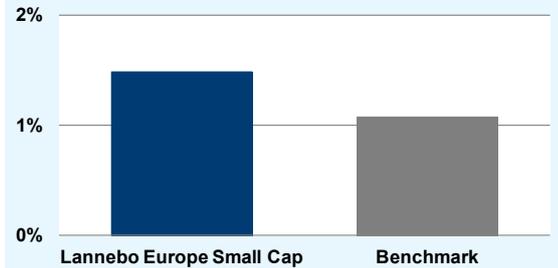
Le Noble Age, the French elderly care operator, underperformed that market due to profit taking after the share price soared more than 50% this year. Fundamentally the company is in good shape with robust organic growth of 5% and the occupation rate remains good which should be a bonus for margins.

Inwido, the Swedish window producer, delivered a soft result despite strong sales growth. The disappointment was related to the Finnish activities but also earnings in Sweden were below our expectations. We believe that most the setback is related to one-off issues and profitability should recover fast.

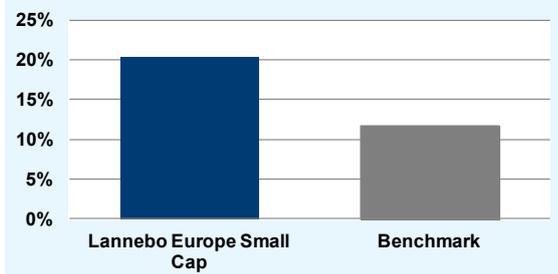
We have added Keywords Studios and Nanogate into the portfolio meaning that we have 42 companies in the fund. The investment case in Keywords Studios is described above. Nanogate is a German company concentrated on the application of nanomaterials on surfaces. The company can offer a wide portfolio of functionalities (e.g. scratch resistance, anti-fingerprint, anti-fog, anti-microbial). As the quality leader in the fast moving niche market for high performance surface applications, Nanogate not only benefits from strong underlying market growth of 10% per year but also continues to expand both geographic and into new product groups.

The majority of our trades have been concentrated around our buying activity in Keywords Studios and Asetek. The high trading activity in Keywords Studios is related to the fact that it is a new company in the portfolio whereas the buying activity in the Asetek is related to stronger growth in the desktop segment and an expectation of a break-through in Datacenter division.

### Performance for the month



### Performance year to date

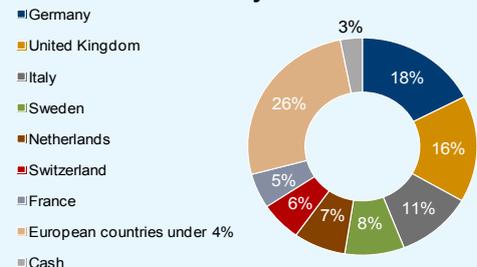


Performance, %	Lannebo Europe Small Cap	Benchmark
July 2017	1.5	1.1
Year-to-date 2017	20.3	11.7
Since launch (10/17/2016)	19.3	17.7

### Monthly performance, %

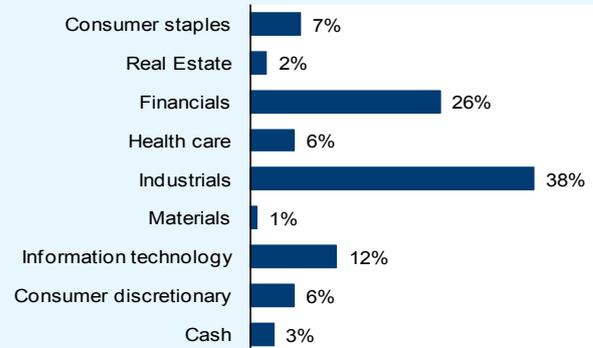
Jan	Feb	Mar	Apr	May	Jun
3.0	2.2	4.1	6.2	3.9	-1.8
Jul	Aug	Sep	Oct	Nov	Dec
1.5					

### Country allocation



10 largest holdings	% of the portfolio
Arrow Global Group	4.5
TKH Group	3.9
Dürr	3.7
Stabilus	3.6
Beazley	3.6
Aalberts Industries	3.4
dorma+kaba	3.3
BGEO Group	3.3
Grenke	3.1
Datalogic	3.0
Total 10 largest holdings	35.3
Cash	3.1
Total number of holdings	42

### Sector allocation



### Major changes during the month

Buy	Sell

### Risk and reward profile



Financial ratios	Lannebo Europe Small Cap	Benchmark
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	
Portfolio turnover ratio	N/A	

### Fund facts

Fund manager	Carsten Dehn & Ulrik Ellesgaard
Launch date	10/17/2016
NAV per unit, EUR	119.28
Fund size, MEUR	230
Management fee	1.6%
Bankgiro	5140-8037
ISIN	SE0008092290
Trading frequency	Daily
Minimum investment amount	100 EUR
PPM number	891 507
Supervisory authority	Finansinspektionen

### Explanations

<b>Benchmark</b>	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.
<b>Sharpe ratio</b>	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.
<b>Total risk</b>	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.
<b>Tracking error</b>	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.
<b>Information ratio</b>	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.
<b>Alpha</b>	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.
<b>Beta</b>	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.