

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. 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 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 stock markets in Europe closed slightly lower in August, where the MSCI Europe Small Cap Index fell 0,6 percent while the large cap index MSCI Europe declined 1,1 percent. Geopolitical turmoil outside Europe caused increased volatility, driven by tensions between North Korea and the rest of the world. The economic indicators for Europe remain positive and in general the half year earnings released in August indicate a strong business environment in Europe.

The fund increased by 0.2 percent in EUR and declined 0.6 percent in SEK, equal to an outperformance of 0.8 percentage points for August. Year to date the excess return versus the benchmark is 9.6 percentage points net of fees.

The most positive contributors for the month were Aroundtown Properties and Bakkafröst.

The German real estate company Aroundtown reported like-for-like rental growth of more than 6 percent in the first half of 2017, showing successful improvements in the property portfolio. Moreover, the company grew the commercial assets by over 50 per cent since end of 2016, driven by EUR 2bn of acquisitions of properties. Aroundtown still sees an attractive pipeline of acquisition targets, indicating that growth will be high going forward.

Bakkafröst is a salmon producer based in the Faroe Islands. Despite a Q2 report which showed earnings lower than estimated by the analysts, the shares moved higher in August. Lower margins were mainly due to precautionary actions due to discovery of ISA virus at one production site. However, the market is beginning to appreciate Bakkafröst's unique qualities such as larger and healthier fish, integrated feed production and environmentally friendlier

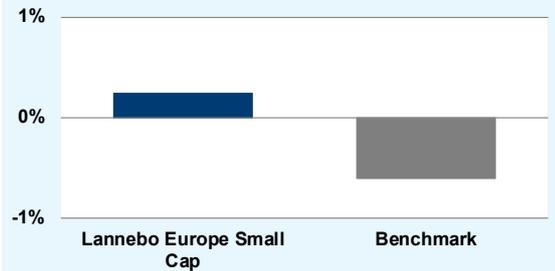
production compared to its competitors. This clearly justifies a higher valuation than peers.

The most negative contributors were Greencore and Dürr.

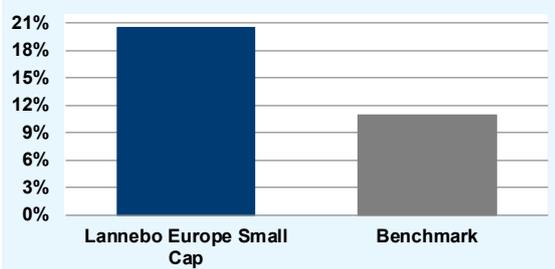
Greencore, the UK food-to-go producer, was the most negative contributor in August even though the latest report fully lived up to expectations. The main reason is that investors are concerned about the US business. Greencore has for several years had Starbucks as a client in the US and it seems clear that a major part of that contract has been terminated. It should be stressed that the Starbucks contract has been loss making and the newly acquired business in the US is performing strongly. The Greencore share price has also been hit by the fact that Amazon has taken over the supermarket chain Whole Foods Market in the US, which has created uncertainty about how the entire supermarket industry will develop.

Dürr is based in Germany and is offering paint shops and final assembly lines for the auto industry, as well as wood working machinery. While the order intake was good as expected, the company reported a somewhat lower margin in the paint shop segment. The reason is that a specific competitor in Germany has been trying aggressively to win market share, which caused some price pressure in the market. We believe this will pass and have kept our position in Dürr.

Performance for the month



Performance year to date

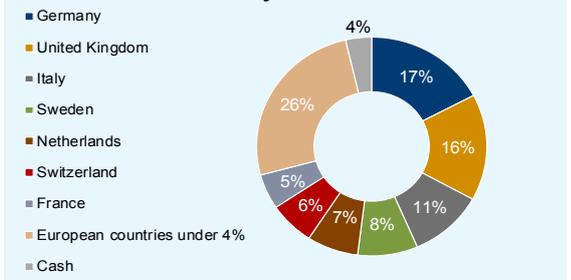


Performance, %	Lannebo Europe Small Cap	Benchmark
August 2017	0.2	-0.6
Year-to-date 2017	20.6	11.0
Since launch (10/17/2016)	19.6	17.0

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	0.2				

Country allocation



10 largest holdings	% of the portfolio
Arrow Global Group	4.5
TKH Group	3.9
Beazley	3.6
Stabilus	3.6
BGEO Group	3.5
dorma+kaba	3.5
Dürr	3.4
Aalberts Industries	3.4
Datalogic	3.1
Grenke	3.0
Total 10 largest holdings	35.3
Cash	3.6
Total number of holdings	42

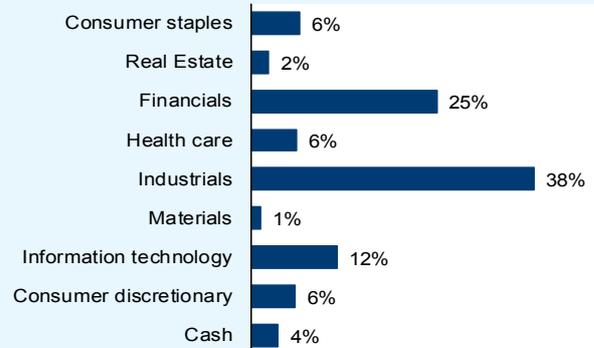
Major changes during the month	
Buy	Sell
Forbo	-
BGEO Group	

Risk and reward profile



Fund facts	
Fund manager	Carsten Dehn & Ulrik Ellesgaard
Launch date	10/17/2016
NAV per unit, EUR	119.57
Fund size, MEUR	239
Management fee	1.6%
Bankgiro	5140-8037
ISIN	SE0008092290
Trading frequency	Daily
Minimum investment amount	100 EUR
PPM number	891 507
Supervisory authority	Finansinspektionen

Sector allocation



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	

Explanations

Benchmark	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.