

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

In February, the European equity markets turned negative after a strong start to the year. That was also reflected in the MSCI Europe Small Cap Index, which decreased by 2.9 per cent measured in EUR. The fund had a negative performance of 2.8 per cent in EUR, which resulted in an outperformance of 0.1 percentage points. The fundamentals are still supporting the equity market reflected by strong earnings and a strong macro environment. We, therefore, see it as a short-term correction.

The Faroese company Bakkafrost, which engages in salmon farming, was the best contributor to performance. The company delivered remarkably strong earnings for Q4(17) where it achieved a record high premium relative to Norwegian salmon prices. This achievement was partly due to strong demand from Russia. The Russian import-ban meant that the demand was not impacted by the strong Norwegian supply. We believe that the company will continue to deliver significantly higher EBIT/kg versus peers.

Outotec, an engineering company that provides equipment and services mainly to the global mining industry, contributed significantly to performance in February. Outotec reported that its order intake grew organically by 32 per cent in Q4(17), which was a relief after it had fallen 15 per cent during Q3(17). The guidance for 2018 is in line with our expectations and we are therefore confident about the company's growth scenario.

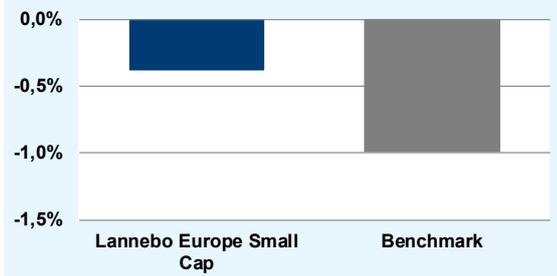
The UK based CVS Group, which operates veterinary practices in the UK and the Netherlands, was a negative contributor during February. The company reported that it had a strong pipeline of identified acquisition opportunities which it expects to complete in the next six months. Therefore, it decided to issue new equity. The short-term dilution effect from the share issue affected the share price negatively.

Arrow Global is an established debt-purchasing and servicing company with a top three market position in the UK and Portugal. The share price was under pressure in February due to disappointing results from competitors in the industry. Arrow published the result in the beginning of March, showing very strong earnings on all parameters including return on equity, core collections and estimated remaining collections (ERC).

Performance for the month



Performance year to date



Performance, %	LanneboEurope Small Cap	Benchmark
February 2018	-2.8	-2.9
Year 2018	-0.4	-1.0
Since launch (10/17/2016)	22.4	24.3

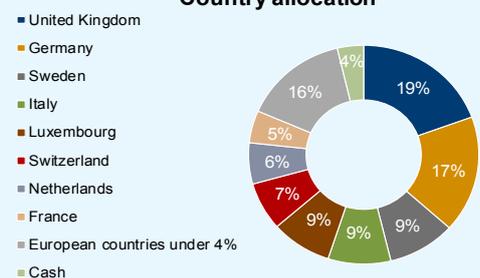
Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
2.5	-2.8				
Jul	Aug	Sep	Oct	Nov	Dec

Annual performance %	Lannebo Europe Small Cap*	Benchmark
2017	24.0	19.0

* The annual performance of the fund is calculated from the NAV

Country allocation



10 largest holdings

	% of the portfolio
Arrow Global Group	3.6
Beazley	3.6
Stabilus	3.4
TKH Group	3.3
Corestate Capital Holding	3.3
BGEO Group	3.2
dormakaba	3.1
Altran Technologies	3.0
Dürr	3.0
Grenke	2.9
Total 10 largest holdings	32.5
Cash	3.7
Total number of holdings	49

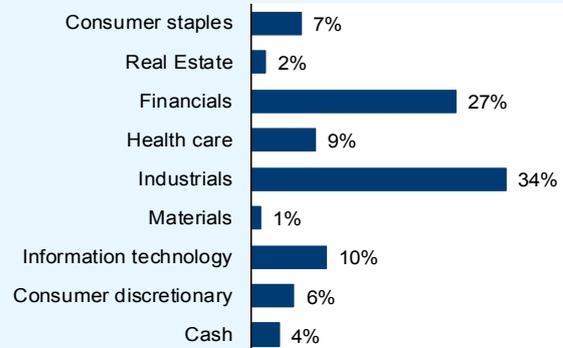
Major changes during the month

Buy	Sell
Arrow Global Group	-
Corestate Capital	

Risk and reward profile



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	
Alpha	N/A	
Beta	N/A	
Portfolio turnover ratio 12/31/2017	0.0	

Fund facts

Fund manager	Carsten Dehn & Ulrik Ellesgaard
Launch date	10/17/2016
NAV per unit, EUR	122.44
Fund size, MEUR	475
Management fee	1.6%
Bankgiro	5140-8037
ISIN	SE0008092290
Trading frequency	Daily
Minimum investment amount	100 EUR
PPM number	891 507
Supervisory authority	Finansinspektionen
LEI	549300L5238BIDO30341

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.