

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 Sverige is an actively managed equity fund that invests in shares on the Swedish equity market.

The fund targets those who:

- want to take part in developments on the Swedish equity market
- want an actively managed fund with investments based on a clear understanding of each individual company

Fund manager comment

The Stockholm Stock Exchange (SIXPRX) continues to be resilient to geopolitical events and increased by 4.1 percent in July. The month saw the gradual escalation of trade wars when the US introduced import duties on products from both China and the EU. Both China and the EU responded with tariffs on US products, where the effects of tariffs are now beginning to materialize with higher commodity costs and rising consumer prices. Q2 earnings reports were generally above market expectations. Industrials continue to perform well with good order intake and earnings growth. Profitability is at historically high levels. Bank earnings reports were positively received by the market, with revenue growth above expectations for SEB and Swedbank.

Lannebo Sverige increased by 4.8 per cent in July, while the benchmark index SIXPRX increased by 4.1 per cent. The World Index, MSCI AC World, increased by 3.0 per cent, and in the US the S&P 500 increased by 3.7 per cent. The Euro STOXX 50 increased by 4.0 per cent.

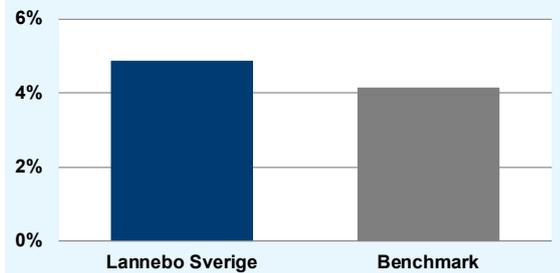
Sobi, Epiroc and SEB were holdings that developed better than the stock market as a whole, with share price increases of 22, 14 and 10 per cent respectively. Sobi exceeded market expectations for Q2 earnings and again raised their forecast for the full year. The operating profit increased significantly to SEK 841 million (381). Sales of hemophilia products have grown sharply during the year and are expected to develop positively in the coming quarters. In the company's first quarterly earnings report, Epiroc, which was distributed by Atlas Copco in June, reported an increase in order intake of 21 per cent and a sales growth of 25 per cent. Demand from mining and infrastructure customers developed positively in both underground and surface

drilling products. Increased automation and digitization, together with a gradual transition to battery operated products, is expected to contribute to strong sales growth in the coming years. SEB developed well after the bank reported higher than expected operating revenues. Net interest income increased by 12 per cent compared with the previous year. Lending margins were stable while deposit margins improved compared with the first quarter. Net commission income improved consecutively as demand for traditional financing from companies increased.

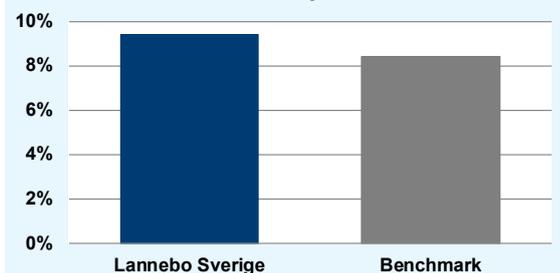
Net Insight, Nobia and Autoliv underperformed the market with share price decreases of 8, 4 and 3 per cent respectively. Net Insight increased Q2 sales by 25 per cent compared with the previous year. However, continued investment in the product Sye, with increased marketing costs, weighed on earnings. Nobia's operating margin decreased to 11.0 per cent (12.1) in Q2, where production disturbances affected earnings by an estimated SEK 20-25 million. Nobia acquired Dutch kitchen supplier Bribus for EUR 65 million. Autoliv reported strong organic sales growth of 7.3 per cent for Q2; however, the forecast for full-year sales was lowered to an organic growth rate of 8 per cent. The investments made are now expected to generate growth with higher profitability.

In July, the fund bought shares in Electrolux, Veoneer and Nokia, while the holdings in SKF, Sandvik and Volvo were reduced.

Performance for the month



Performance year-to-date



Performance, %	Lannebo Sverige	Benchmark
July 2018	4.8	4.1
Year-to-date 2018	9.4	8.4
3 years	26.8	24.4
5 years	91.8	82.3
10 years	232.5	209.6
Since launch (08/04/2000)	405.8	273.4
Average annual return 24 months	13.4	13.1

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
0.7	0.8	-0.9	5.3	-1.1	-0.4
Jul	Aug	Sep	Oct	Nov	Dec
4.8					

Annual performance, %	Lannebo Sverige*	Benchmark
2017	7.4	9.5
2016	11.0	9.6
2015	13.0	10.5
2014	19.4	15.9
2013	24.9	28.0

* The annual performance of the fund is calculated from the NAV per unit in the final accounts.

10 largest holdings	% of the portfolio
Investor B	7.8
Telia	6.7
Volvo B	6.4
H&M B	5.9
Electrolux B	5.8
AstraZeneca	5.4
Skanska B	4.8
Securitas B	4.6
SEB A	4.5
Swedbank A	4.5
Total 10 largest holdings	56.5
Cash	6.1
Total number of holdings	23

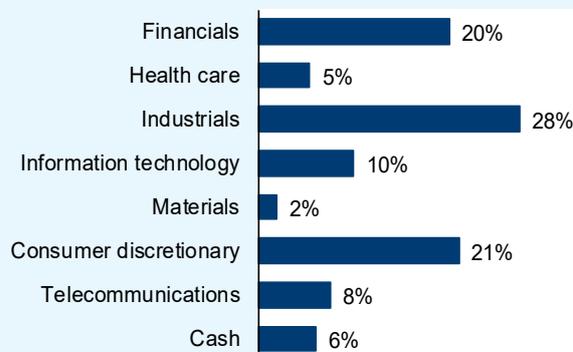
Major changes during the month	
Buy	Sell
Electrolux	SKF
Veoneer	Sandvik
Nokia	Volvo

Risk and reward profile



Fund facts	
Fund manager	Martin Wallin & Robin Pettersson
Launch date	08/04/2000
NAV per unit, SEK	38.07
Fund size, MSEK	3,372
Management fee	1.6%
Bankgiro	5563-4604
ISIN	SE0000740680
Trading frequency	Daily
Minimum investment amount	100 SEK
PPM number	806 869
Supervisory authority	Finansinspektionen
LEI	549300GJSC541WIWX079

Sector allocation



Financial ratios	Lannebo Sverige	Benchmark
Sharpe ratio	1.4	1.6
Total risk, %	9.8	8.4
Tracking error	3.5	
Information ratio	0.1	
Alpha	-0.1	
Beta	1.1	
Active share, %	62	
Portfolio turnover ratio 06/30/2018	0.9	

Explanations

Benchmark	SIX Portfolio Return 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 risk-adjusted excess return relative to the return of the benchmark. 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.