

Lannebo Europe Small Cap (EUR)

Swedish-registered equity fund

Monthly report

June 2019

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.lannebo.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 is suitable for 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 June, mainly due to changed central bank rhetoric. On the negative side, geo-political tensions continued with both Brexit and the trade dispute between the US and China. On top of that, risk awareness increased due to the rising tensions between the US and Iran.

The fund's performance was 5.1 per cent measured in EUR, compared with the benchmark return of 2.9 per cent, measured in EUR.

Altran, TKH and Arrow Global were the top contributors to performance during June.

Altran is a French engineering and technology service company. Caggemini announced at the end of June that it had agreed to acquire Altran for EUR 14/share, equal to a premium of 22 per cent. The boards of both companies have unanimously recommended the bid.

TKH is a Dutch conglomerate specialised in the development and supply of innovative telecom, building and industrial solutions. The company hosted a capital markets day where management increased its medium-term operating margin target driven by divestment of underperforming entities and higher organic sales growth for the group. Management's optimism should be viewed together with several new product launches, which all increase client efficiencies.

UK Arrow Global performed strongly without any company-specific news. The company ensures collection of non-performing loans on both acquired and external portfolios. Arrow Global has been heavily shorted - which in 2018 resulted in a weak share price per-

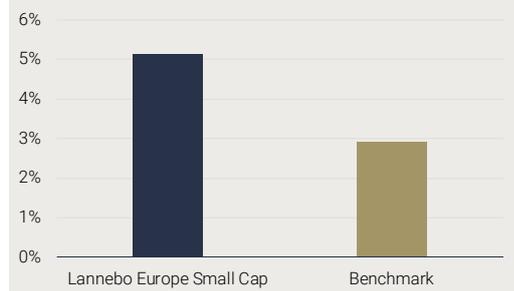
formance - even though management has lived up to expectations. The short selling has decreased this year and the share price has increased.

Biffa and Beazley were the worst contributors to performance in June.

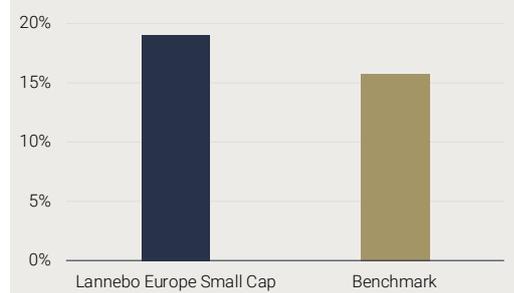
UK waste management company Biffa delivered a result in line with expectations. Performance between divisions continues to vary, where the largest division, Industrial & Commercial, reported a strong set of numbers whereas the small division Municipal (residential waste management) reported a weak result. The Municipal business area is affected by two loss-making contracts, which will conclude within two years. Biffa announced the expansion of its PET plastic bottle recycling project, and the company should soon also announce financial completion of its proposed Energy-for-Waste project. Both initiatives will improve Biffa's environmental profile.

Beazley, liability insurance for companies, has underperformed with no negative company-specific news, where management has even communicated a continued positive premium momentum over the course of the year. We maintain that the cyber insurance business will be one of the company's main growth drivers over the coming years.

Monthly performance



Performance year to date*



Performance (%)	Lannebo Europe Small Cap	Benchmark
June 2019	5.1	2.9
Since launch (10/17/2016)	8.9	22.2
Average annual return 24 months	-3.8	2.4

Monthly performance (%)

Jan	Feb	Mar	Apr	May	Jun
8.0	2.9	1.7	6.7	-5.7	5.1
Jul	Aug	Sep	Oct	Nov	Dec

Annual performance(%)*	Lannebo Europe Small Cap	Benchmark
2019**	19.1	15.7
2018	-25.3	-15.9
2017	24.0	19.0

* The performance is based on closing prices.

** Year to date

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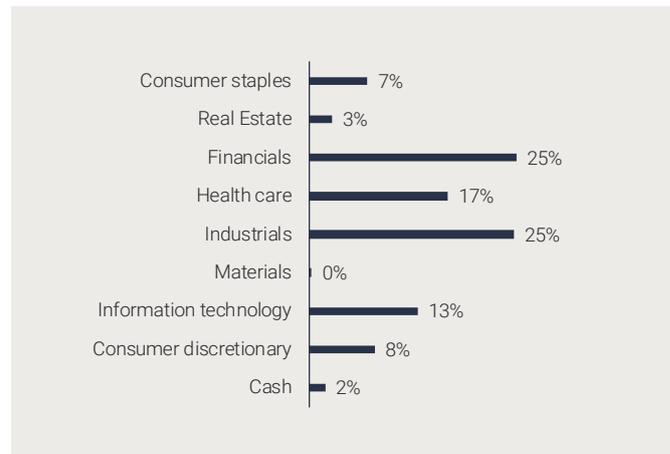
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10 largest holdings

Holding	% of the fund
Tecan Group	4.3
AAK	4.2
TKH Group	4.1
Grenke	4.1
Beazley	3.7
Interpump Group	3.7
Altran Technologies	3.2
Forbo Holding	3.2
Arrow Global Group	3.1
Keywords Studios Plc	3.0
Total 10 largest holdings	36.6
Cash	1.9
Total number of holdings	44

Sector allocation



Major changes during the month

Buy	Sell
-	Aurelius
	Grenke
	Aroundtown

Risk and reward profile



Financial ratios

	Lannebo Europe Small Cap	Benchmark
Sharpe ratio	-0.1	0.3
Total risk (%)	16.3	13.4
Tracking error	5.7	
Information ratio	-1.1	
Alpha	-0.5	
Beta	1.1	
Portfolio turnover ratio 06/30/2019	0.1	

Fund facts

Fund manager	Carsten Dehn & Ulrik Ellesgaard
Launch date	10/17/2016
NAV per unit (EUR)	108.86
Fund size (EURm)	212
Management fee	1.6%
Bankgiro	5140-8037
ISIN	SE0008092290
Trading frequency	Daily
Minimum investment amount	EUR 100
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

Sharpe ratio is a measure of risk adjusted return. Calculated as the ratio of the fund's excess return above the risk-free rate of return and the fund's total risk.

Total risk

Given as the standard deviation of variations in the total return of the fund or index.

Tracking error

Tracking error is a measure of active risk in a fund. Calculated as the standard deviation of the difference between the return of the fund and its benchmark.

Information ratio

A measure of risk-adjusted return. This is measured as the active return divided by the portfolio's active risk.

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.

Beta

Beta is a measure of a fund's sensitivity to market movements. The beta value reports how much the fund's value changes in percentage terms when the market's value changes by one percentage point.

Active share

A measure of the proportion of the portfolio that differ from the benchmark.

All financial ratios are calculated according to guidelines of the Swedish Investment Fund Association.