

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 Småbolag Select is an actively managed equity fund (non-UCITS fund) that invests in small and medium sized enterprises listed in the Nordic region, primarily in Sweden. The fund invests in companies with a market capitalisation amounting to no more than 1 percent of the total Swedish market capitalisation. At the end of the mid-year 2019, this meant a market capitalisation of around SEK 70 billion. The fund has more flexible investment rules than a traditional equity fund, which gives the fund manager more options.

The fund is suitable for those who:

- want to invest in small and medium-sized companies listed on the Swedish and other Nordic stock markets
- want an actively managed fund with investments based on a clear understanding of each individual company

Fund manager comment

The stock market closed the first half of the year with strong gains. During June, central banks generally took a dovish stance, which gave the stock market a boost and led to lower interest rates in both Sweden and the US. Lannebo Småbolag Select increased in line with the stock market during the month.

Most holdings developed positively during the month, including Duni, which was the month's top performer following a couple of positive analyses. The company, which provides table top products among other things, should benefit from price increases and reduced cost pressures. Module building company Adapteo organized a capital markets day ahead of the spin-off from Cramo. The company currently has a strong position in the Swedish and Finnish markets and growth prospects look positive. The Cramo share increased in June prior to the division of the company. Several construction-related holdings developed well, including the housing developer JM and the ventilation company Lindab. The fund's largest holding, OEM International, also had a positive share price performance during the month. There were a few holdings on the minus side, including fertility company Vitrolife and the care company Ambea.

The fund signed its share of Ambea's rights issue in June, which was undertaken to finance the acquisition of Aleris' care services. Ambea has identified significant synergies and improvement measures, which, if realised, will lift Ambea's results to a higher level. The holding in Finnish Cramo was further increased prior to the division of the company, which took place at mid-year.

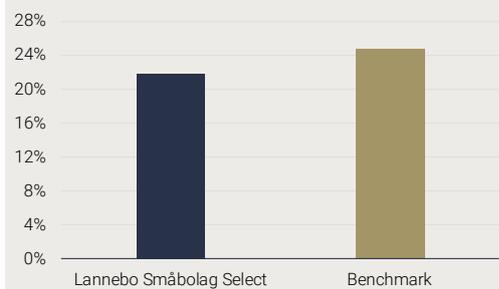
The fund sold shares in Husqvarna, which markets forest and gardening products. The stock has recovered after the decline last year when the company's earnings were negatively affected by the dry summer. The holding in construction group NCC was slightly reduced. After last year's weak share price performance, the share has increased on hopes that the new management's change program will bear fruit. The holding in Fabega was further reduced.

During the first half of the year the Swedish stock market performed very well. The market benefited from the favourable combination of continued good economic activity, low interest rates and a weakened Swedish krona. The small cap segment has well exceeded last year's level. On a whole, we have a cautious view of the stock market and expect earnings growth in the second quarter to decline somewhat compared to the first quarter.

Monthly performance



Performance year-to-date



Performance (%)	Lannebo Småbolag Select	Benchmark
June 2019	5.3	5.2
Year 2019	21.8	24.6
3 years	56.2	52.6
5 years	102.6	105.6
10 years	448.6	457.9
Since launch (10/31/2000)	1 469.6	865.5
Average annual return 24 months	9.4	10.6

Monthly performance (%)

Jan	Feb	Mar	Apr	May	Jun
4.8	3.9	1.2	5.3	-2.8	5.3
Jul	Aug	Sep	Oct	Nov	Dec

Annual performance (%)	Lannebo Småbolag Select	Benchmark
2018	0.9	-0.2
2017	10.2	8.8
2016	17.0	12.2
2015	20.4	30.1
2014	24.1	21.6
2013	36.7	36.6

10 largest holdings

Holding	% of the fund
OEM International B	9.7
Securitas B	5.4
Fagerhult	5.3
VBG Group B	4.6
Lindab	4.3
Pandox B	4.3
Alimak	3.7
Cramo	3.6
NCC B	3.5
JM	3.4
Total 10 largest holdings	47.9
Cash	9.9
Total number of holdings	32

Major changes during the month

Buy	Sell
Ambea	Husqvarna
Cramo	Fabege
Fagerhult	NCC

Financial ratios

	Lannebo Småbolag Select	Benchmark
Sharpe ratio	0.9	0.9
Total risk (%)	11.2	13.0
Tracking error	4.3	
Information ratio	-0.3	
Alpha	0.1	
Beta	0.8	
Active share (%)	79	
Portfolio turnover ratio (06/30/2019)	0.4	

Explanations

Benchmark

Carnegie Small Cap Sweden 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.

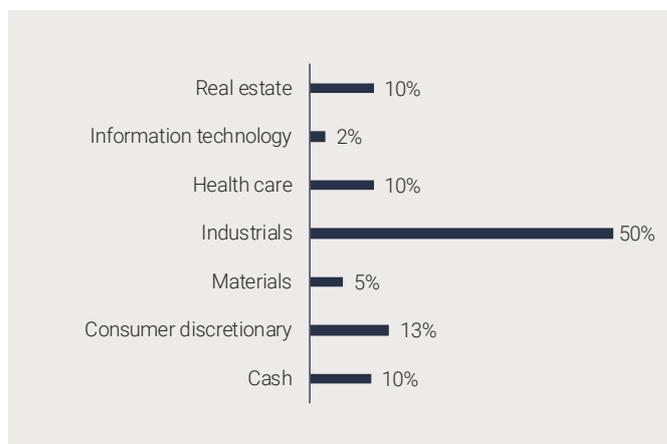
Total risk

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.

Sector allocation



Risk and reward profile



Fund facts

Fund manager	Hjalmar Ek & Mats Gustafsson
Launch date	10/31/2000
NAV per unit (SEK)	993.38
Fund size (SEKm)	3,172
Management fee	0.7% + 20% of any excess return
Return threshold	30-day STIBOR, monthly on the first banking day of each month, plus five percentage points, currently 5.00%
ISIN	SE0000917205
Trading frequency	The fund is open on the last business day of each month
Minimum investment amount	The initial investment is SEK 100 000 and then SEK 20 000 per subscription thereafter
Supervisory authority	Finansinspektionen
LEI	549300ZTBJP4DRZ51462

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.