

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 Nordic Equities is an actively managed fund where the fund manager selects individual stocks of Nordic companies. The portfolio is concentrated around 30 companies, where the managers evaluate the potential for rising profits and increasing dividends over time. The investments can be made in both large- and small caps on all Nordic exchanges in all sectors.

The fund is suitable for those who:

- want to invest in the Nordic stock markets and seek a diversified portfolio of companies of different sizes, in different sectors and with different currency exposure
- want an actively managed fund with investments based on a clear understanding of each individual company
- can accept potential return fluctuations and have an investment horizon of at least five years

Fund manager comment

Equity markets globally were relatively flat in July - and the Nordic markets were no exception. Small-caps saw stronger gains than large-caps, increasing by 2 per cent. However, the spread across sectors was significant - where consumer goods and utilities were the strongest performers, while energy and industrials were weakest.

Lannebo Nordic Equities fell 1.9 per cent during the month, while the benchmark index rose 0.2 per cent. The relatively weak performance was primarily attributable to holdings that released Q2 earnings that were below expectations. The fund was generally over weighted to the Norwegian oil services sector, which performed poorly.

Castellum, AstraZeneca and Arion Bank were holdings that contributed most positively to performance; whereas Kindred, Sandvik and Kvaerner were companies that contributed most negatively.

As usual, July was intense with the release of Q2 earnings, including that of many Nordic large-caps. Estimates were gradually lowered prior to the earnings announcements and results roughly met expectations. Overall, earnings and revenues continued to increase, but at a significantly lower rate than in 2018.

Kindred reported earnings that were worse than expected and the share price fell significantly. The regulation of the Swedish gaming market resulted in a much larger-than-expected drop in sales, while costs increased. Among others, AstraZeneca and Castellum released strong earnings reports. AstraZeneca's sales are booming due to a significant number of new products that

have come to market. Real estate companies continue to benefit from low interest rates.

Government bond yields fell further in July. The Swedish 10-year government bond yield fell to -0.14 per cent, which means that the Swedish state is now paid to borrow money at all maturities. The same applies to Denmark and Finland, while Norway has higher inflationary pressures and as such higher interest rates. The recent fall in interest rates is attributable to generally weak economic indicators in Europe, at the same time as inflation remains at low levels. Furthermore, there is a risk that the ongoing trade conflicts will deepen.

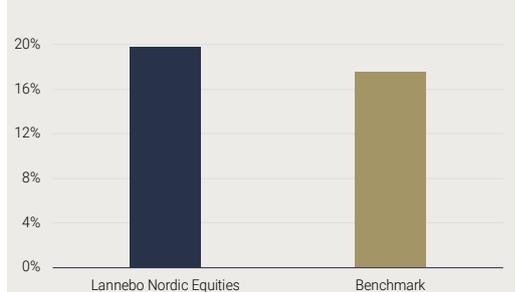
The Fed lowered its key rate by 25 basis points to the range of 2.00 to 2.25 per cent at its July meeting. However, the Fed emphasized that this should not be seen as a start to a long series of rate cuts, but rather as an insurance cut should a cyclical weakening occur.

Royal Unibrew, Valmet and Veoneer were the fund's largest investments during July. Danish Royal Unibrew is non-cyclical and profits should increase in the coming years. The valuation of both Finnish Valmet and car safety company Veoneer dropped to attractive levels. Veoneer's financial risks also decreased in after a successful share issue. The largest divestments were made in Storebrand, Boozt and Subsea 7. Storebrand is negatively affected by falling interest rates; while Subsea 7's profit margins are under pressure. The holding in Boozt's was divested in its entirety.

Monthly performance



Performance year-to-date



| Performance (%) | Lannebo Nordic Equities | Benchmark |
|-------------------------|-------------------------|-----------|
| July 2019 | -1.9 | 0.2 |
| Year 2019 | 19.8 | 17.5 |
| Since launch (06/14/18) | 7.1 | 5.6 |

Monthly performance (%)

| Jan | Feb | Mar | Apr | May | Jun |
|------|-----|-----|-----|------|-----|
| 8.7 | 6.3 | 1.5 | 5.7 | -7.3 | 6.3 |
| Jul | Aug | Sep | Oct | Nov | Dec |
| -1.9 | | | | | |

| Annual performance(%) | Lannebo Nordic Equities | Benchmark |
|-----------------------|-------------------------|--------------------|
| 2018 | -11.0 ¹ | -10.7 ¹ |

The performance in the table above is based on closing prices.

¹ Performance since the launch of the fund 06/14/18.

10 largest holdings

| Holding | % of the fund |
|---------------------------|---------------|
| Novo Nordisk B | 8.0 |
| Europris | 4.2 |
| AstraZeneca | 4.0 |
| Harvia | 3.8 |
| Data Respons | 3.7 |
| Sbanken | 3.6 |
| SP Group | 3.5 |
| SCA B | 3.3 |
| Vestas Wind Systems | 3.3 |
| Instalco | 3.2 |
| Total 10 largest holdings | 40.6 |
| Cash | 5.0 |
| Total number of holdings | 35 |

Major changes during the month

| Buy | Sell |
|---------------|------------|
| Royal Unibrew | Storebrand |
| Valmet | Boozt |
| Veoneer | Subsea 7 |

Financial ratios

| | Lannebo Nordic Equities | 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 | |
| Active share | 80 | |
| Portfolio turnover ratio (06/30/19) | 0.9 | |

The fund has not enough history to make it possible calculating above financial ratios.

Risk and reward profile



Explanations

Benchmark

VINX Benchmark 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 active risk in a fund. 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 index.

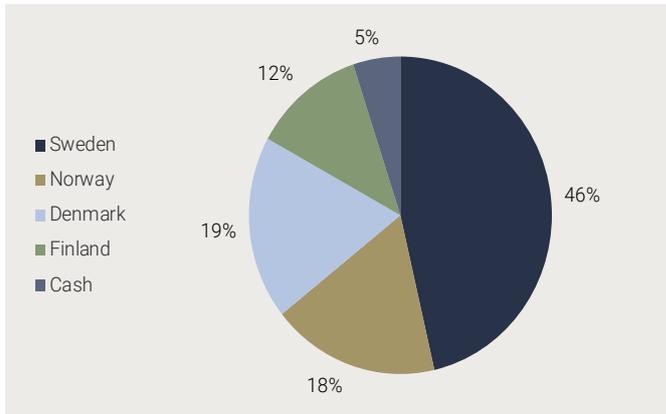
Tracking error

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.

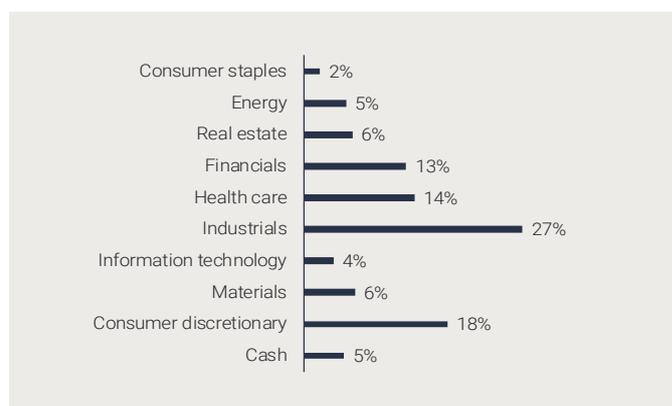
Information ratio

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

Geographical split



Sector allocation



Fund facts

| | |
|---------------------------|----------------------------------|
| Fund manager | Charlotta Faxén & Peter Lagerlöf |
| Launch date | 06/14/18 |
| NAV per unit (SEK) | 107.10 |
| Fund size (SEKm) | 73 |
| Management fee | 1.6% |
| Bankgiro | 5280-1693 |
| ISIN | SE0011311281 |
| Trading frequency | Daily |
| Minimum investment amount | SEK 100 |
| Supervisory authority | Finansinspektionen |
| LEI | 54930002LEVWV3EHZP32 |

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.



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