

Lannebo Europe Small Cap

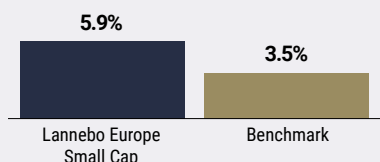
Swedish-registered equity fund, A EUR

Monthly report August 2021

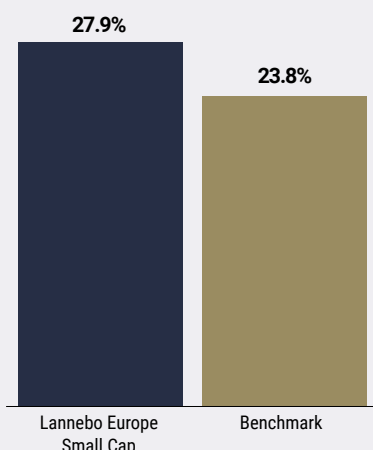
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021
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Monthly performance



Performance YTD



Carsten Dehn and Ulrik Ellesgaard

Norcros added to the portfolio

The European equity market continued its positive performance in August mainly due to positive earnings reports and supportive central bank statements. However, consumer and business sentiment are being challenged with the continued spread of the Delta coronavirus variant, which is raising some concerns on the strength of the economic recovery. The fund outperformed the market in August, increasing 5.9 per cent measured in EUR, compared with the benchmark's return of 3.5 per cent in EUR.

The best contributors to performance were Medios and TKH Group.

The German wholesaler of speciality drugs and manufacturer of patient-specific preparations, Medios, was the best performer in August. Despite challenges stemming from the newly imposed quota system in Germany, Medios delivered a strong H1 report and simultaneously raised their full year 2021 sales guidance. The report indicated that the company perceives continuously improving conditions even with the unchanged regulatory headwinds. The company also announced the appointment of Falk Neukirch as its new CFO. We believe that Medios is well positioned to further strengthen their market position both organically and

Performance

	Lannebo Europe Small Cap	Benchmark
Performance, %		
August 2021	5.9	3.5
Year-to-date 2021	27.9	23.8
3 years	37.0	39.5
Since launch (10/17/16)	60.0	79.8
Average annual return 24 months	25.1	22.4
2020 ¹	3.6	4.6
2019 ¹	31.6	31.4
2018 ¹	-25.3	-15.9
2017 ¹	24.0	19.0

¹ The performance is based on closing prices.

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-0.4	1.8	7.9	2.4	1.0	-0.2
Jul	Aug	Sep	Oct	Nov	Dec
6.8	5.9				

inorganically.

TKH Group is a Dutch technology solutions provider for the industrial and telecom industry. The company delivered a strong H1 earnings results across almost all its end markets. Furthermore, TKH Group substantially raised their guidance for the full year due to a strong order backlog and strong recovery in the tyre building vertical, which is a higher margin business. The company reiterated in their report that supply chain issues and increased raw material prices had so far only limited effects on their activities. We expect the company to continue to benefit from their Simplify and Accelerate strategy.

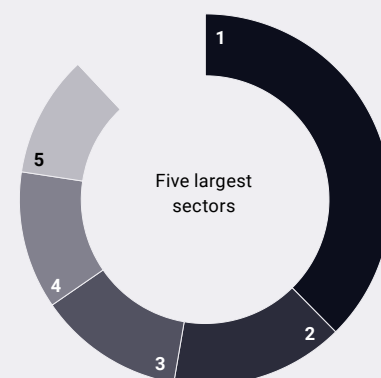
The most negative contributors to performance were Accell Group and Fashionette.

The German online fashion retailer Fashionette was a weak performer in August. After a first half of 2021 that fully lived up to expectations - the company was negatively affected by IT issues during a switch to a new warehouse facility at the beginning of Q3. This led to longer delivery times and order cancellations, resulting in an increase in the operational risk short term. Several remedial actions have already been taken to reduce delivery times, and we expect the issues to be fully resolved before the all-important Q4 holiday season.

Accell Group is based in the Netherlands and is a leading producer of bicycles and spare parts. Profitability was strong during the first half of 2021, as demand for e-bikes and conventional bikes was boosted by the pandemic and the general biking trend. The flipside of the strong demand, however, is supply chain constraints and a shortage of components in the bike industry, which has led Accell Group to guide cautiously for the second half of 2021 as it struggles to fulfil orders. We believe the supply chain issues will normalize in 2022 and that Accel is well placed to benefit from the strong long-term bike trend.

We bought shares in UK based Norcros in August. Norcros owns brands in the bathroom and kitchen products segment with operations in the UK, Ireland and South Africa. The main product categories are showers, taps, tiles and accessories, where the Norcros brands tend to be the niche leader. The company has a track record of good organic growth and returns on capital employed of above 15%. Moreover, Norcros has a strong balance sheet and should be able to make attractive acquisitions in the fragmented markets it operates in.

Sector allocation



#	Sector	% of the fund
1.	Industrials	37.6
2.	Health care	15.1
3.	Information technology	12.7
4.	Consumer discretionary	12.0
5.	Financials	10.6
6.	Consumer staples	6.0
7.	Communication services	3.6
	Cash	2.4

10 largest holdings

Holding	% of the fund
Volusion Group	4.8
Biffa	3.9
Dürr	3.9
Medios	3.6
Interpump Group	3.6
Bank of Georgia Group	3.6
TKH Group	3.6
LU-VE	3.4
Keywords Studios Plc	3.2
Inwido	3.1
Total 10 largest holdings	36.8
Cash	2.4
Total number of holdings	46

Major changes during the month

Buy

Brembo
Strix Group

Sell

Arrow Global
Sumo Group

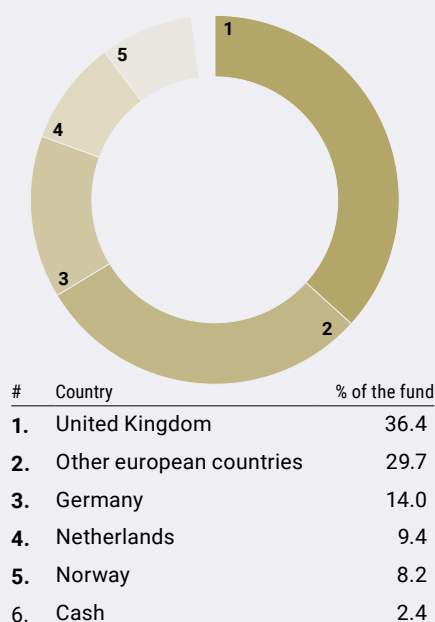
Risk and reward profile



Financial ratios

	Lannebo Europe Small Cap	Benchmark
Sharpe ratio	1.1	1.0
Total risk (%)	24.4	23.4
Tracking error	5.9	
Information ratio	0.5	
Alpha	0.2	
Beta	1.0	
Portfolio turnover ratio (06/30/21)	0.2	

Geographical split



Fund facts

Fund manager	Carsten Dehn & Ulrik Ellesgaard
Launch date	10/17/16
NAV per unit (EUR)	159.96
Fund size (EURm)	170
Management fee	1.6%
Bankgiro	5140-8037
ISIN	SE0008092290
Trading frequency	Daily
Minimum investment amount	EUR 100
Supervisory authority	Finansinspektionen
LEI	549300L5238BID030341

Risk information

Past returns are no guarantee of future returns. The money invested in the fund August 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 lannebo.se/en. Please note that Lannebo 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 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.

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 August not exceed EUR 5bn. 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.

Explanations

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.

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

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.

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