

Lannebo Europe Small Cap

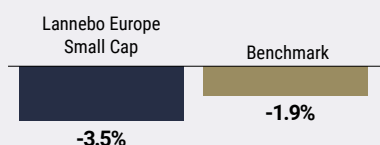
Swedish-registered equity fund, A EUR

Monthly report April 2022

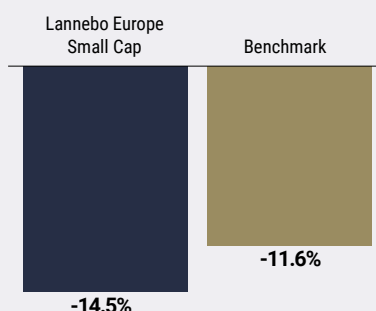
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
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Monthly performance



Performance YTD



Carsten Dehn and Ulrik Ellesgaard

Performance

Performance. %	Lannebo Europe Small Cap	Benchmark
April 2022	-3.5	-1.9
Year-to-date 2022	-14.5	-11.6
3 years	25.6	26.1
5 years	19.6	34.5
Since launch (10/17/16)	37.9	59.1
Average annual return 24 months	19.1	19.7
2021 ¹	29.4	23.9
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.

Strong reports in a weak market

Bought shares in the banks Bawaq and OSB

The European equity market traded lower in April, where the Russian invasion of Ukraine continued to dominate headlines. The portfolio's exposure to the region is low and most companies have already taken action to exit these countries. Increasing interest rates and raw material prices are also challenging many companies in the current environment. In light of this and as the Q1 earnings season kicks off in Europe, we are pleased that most reports released by our holdings have so far been better than expected. The fund's performance was -3.5 per cent measured in EUR, compared with the benchmark's return of -1.9 per cent in EUR.

Lu-Ve and Biffa were the best contributors to performance.

The Italian manufacturer of low-emitting air heat exchangers, Lu-Ve, was the best contributor to performance in April. The company issued a trading update for Q1 2022 that disclosed continued strong demand for their products, where sales increased 38 per cent and the backlog increased by 121 percent compared with Q1 last year. The strong momentum from 2021 continued and the backlog provides the company with good visibility for the remaining year.

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-7.4	-2.9	-1.5	-3.5	-	--
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

We believe the improved operating leverage and pricing power will limit the impact on margins from increased cost inflation. Lu-Ve is a quality company with a strong position within environmentally friendly heat exchangers with an attractive valuation of about 15x P/E.

Biffa, the UK waste management company with operations across the entire waste value-chain, was a strong contributor to performance in April without any company specific news. The company issued a trading update in March, which showed strong momentum in their core collection business, and their strategic update showed good progress in the integration of their recent acquisitions.

Crayon and Medios were the worst contributors to performance.

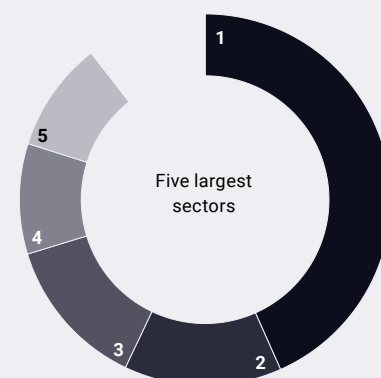
The Norwegian software company, Crayon, underperformed in April even though fundamentals were strong - a trend we expect will continue in the quarterly report being released the 11th of May. We believe the recent underperformance is a consequence of perceived overhang following the recent sell-downs by Software-ONE, Softline and One Equity Partners.

Medios, the German wholesaler of speciality pharmaceuticals, underperformed in April. The market is concerned the Ukrainian conflict could have indirect negative effect in terms of high inflation and continued supply bottlenecks. We welcome the company's increasing focus on margins and cash generation, and we believe that 2022 should generate solid results on both metrics.

We added Bawag to the portfolio. Bawag is one of Austria's largest banks with a focus on Austria, Germany, and other developed markets. With their efficient business model, the bank serves retail, small businesses, and corporate customers and offers savings, payment, lending, leasing, investment, building society, and insurance products. Bawag has a strong track record in terms of RoE and solvency. We believe the valuation is attractive given the benefits from the increase in interest rates.

We also added One Savings Bank (OSB) to the portfolio. OSB is a UK Buy-to-Let provider, focused on owners with significant property portfolios. We value businesses that have sustainable high risk-adjusted margins with low leverage as they are better able to absorb external shocks and, consequently, typically at a lower risk. High, sustainable, margins without a duration imbalance indicates pricing power, low negative earnings volatility, and a lack of excessive competition—all of which we appreciate.

Sector allocation



#	Sector	% of the fund
1.	Industrials	43.3
2.	Financials	13.7
3.	Health care	13.2
4.	Information technology	9.6
5.	Consumer discretionary	9.6
6.	Consumer staples	6.0
7.	Communication services	2.3
	Cash	2.3

10 largest holdings

Holding	% of the fund
John Menzies Plc	5.9
Biffa	4.5
LU-VE	4.2
Volution Group	4.1
Beazley	3.5
SpareBank 1 Nord-Norge	3.3
Crayon Group Holding	3.2
Greencore Group	3.1
Inwido	3.1
Somero Enterprises	3.1
Total 10 largest holdings	38.0
Cash	2.3
Total number of holdings	45

Major changes during the month

Buy

BAWAG
One Savings Bank

Sell

John Menzies
TKH Group

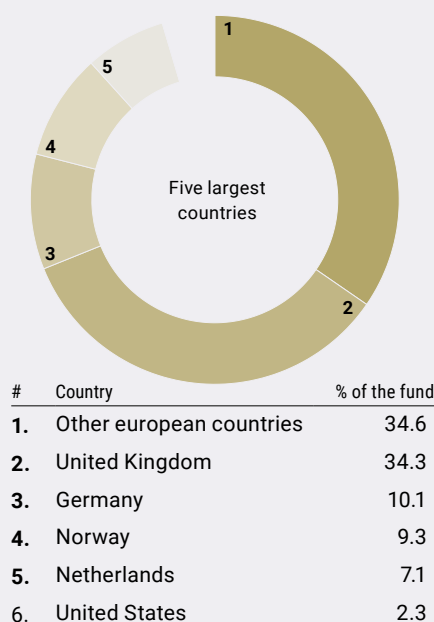
Risk and reward profile

Lower risk							Lower risk	
1	2	3	4	5	6	7		

Financial ratios

	Lannebo Europe Small Cap	Benchmark
Sharpe ratio	1.1	1.2
Total risk (%)	17.2	16.1
Tracking error	6.2	
Information ratio	-0.3	
Alpha	-0.1	
Beta	1.0	
Portfolio turnover ratio (12/31/21)	0.4	

Geographical split



Fund facts

Fund manager	Carsten Dehn & Ulrik Ellesgaard
Launch date	10/17/16
NAV per unit (EUR)	137.87
Fund size (EURm)	135
Ongoing charges	1.68%
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 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 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 April 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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