

Lannebo Europe Small Cap

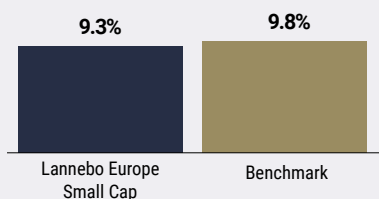
Swedish-registered equity fund, A EUR

Monthly report July 2022

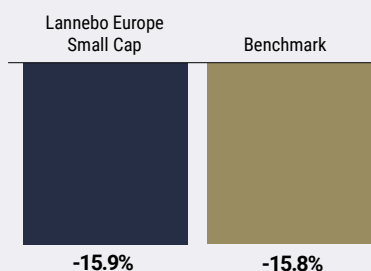
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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



Recovery in Europe

Volition continues to show strength

The European equity market rebounded sharply in July – driven mainly by the US news flow. First, US companies disclosed through their quarterly financial reports that they can manage economic headwinds, including slowing growth and rising interest rates, better than what most had feared. Secondly, investors appeared to take comfort from the latest Federal Reserve meeting, interpreting the central bank to be willing to slow its pace of interest rate increases as the economy begins to cool.

The fund's performance was 9.3 per cent measured in EUR, compared with the benchmark's return of 9.8 per cent in EUR.

The best contributors to performance were Volition and Crayon.

Volition is a UK supplier of ventilation products in the UK and northern Europe. Volition delivered a very strong earnings report with continued strong demand and the Group also maintained its margins - even with significant higher input prices. The growth in the UK of renovations of public properties is one of the driving factors. The report was a clear relief to the market as several building material companies had reported a decline in sales and order intake.



Carsten Dehn and Ulrik Ellesgaard

Performance*

Performance. %	Lannebo Europe Small Cap	Benchmark
July 2022	9.3	9.8
Year-to-date 2022	-15.9	-15.8
3 years	25.8	24.1
5 years	13.7	28.7
Since launch (10/17/16)	35.7	51.5
Average annual return 24 months	14.3	12.2
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.

*Net of fees

Monthly performance, %

Jan	Feb	Mar	Apr	July	Jun
-7.4	-2.9	-1.5	-3.5	-1.9	-8.2
Jul	Aug	Sep	Oct	Nov	Dec
9.3	-	-	-	-	-

The shares of Norwegian IT-services company Crayon benefitted from the market's renewed appetite for growth stocks in July. Moreover, the company was awarded two partnerships with Amazon Web Services, which further strengthens its cloud offering outside the Microsoft ecosystem, thereby underlining Crayon's broad capabilities. A couple of strong earnings reports from peers are an indication that the H1 results to be released in August will likely be solid.

The worst contributors to performance were Biffa and Terveystalo

Biffa, the UK waste management company, underperformed in July. Biffa received an indicative bid of pence 445 from Energy Capital Partners (ECP); the current share price is pence 360. The deadline for ECP to announce a firm bid is August 2nd. The current share price represents a discount of 19 per cent and is correlated to the concern that ECP will not announce a firm bid. In this scenario, we believe that there are several other competitive bids around the corner.

Terveystalo, the Finnish health care provider, underperformed because of their weak Q2 report, where Q2 margins disappointed us. A negative sales mix combined with higher costs and supply challenges had a greater than expected negative impact on the EBITA margin. Our concern is that the margin squeeze is not temporary and we have therefore reduced our holding.

Sector allocation



#	Sector	% of the fund
1.	Industrials	41.0
2.	Financials	15.6
3.	Health care	12.6
4.	Information technology	11.0
5.	Consumer discretionary	8.6
6.	Consumer staples	6.0
7.	Communication services	1.9
	Cash	3.3

10 largest holdings

Holding	% of the fund
Biffa	4.9
LU-VE	4.6
Beazley	4.6
Crayon Group Holding	3.7
Volution Group	3.6
Medios	3.4
DO & CO	3.3
SpareBank 1 Nord-Norge	3.3
Keywords Studios Plc	3.2
Somero Enterprises	3.2
Total 10 largest holdings	37.8
Cash	3.3
Total number of holdings	44

Major changes during the month

Buy

Begbies Traynor

Sell

Inwido

Terveystalo

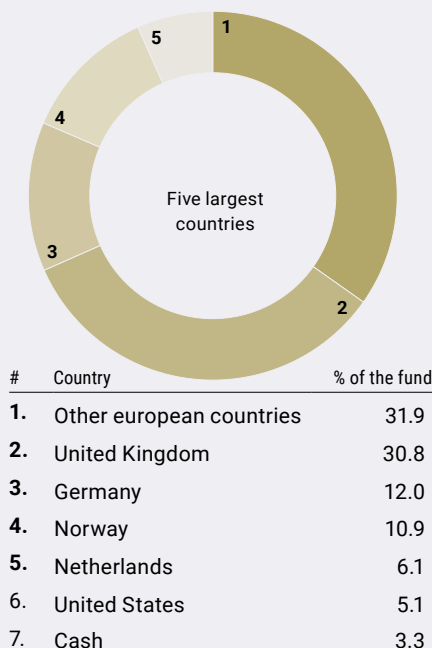
Risk and reward profile

Lower risk					Lower risk	
1	2	3	4	5	6	7

Financial ratios

	Lannebo Europe Small Cap	Benchmark
Sharpe ratio	0.8	0.7
Total risk (%)	19.5	19.6
Tracking error	6.3	
Information ratio	0.2	
Alpha	0.2	
Beta	0.9	
Portfolio turnover ratio (06/30/22)	0.4	

Geographical split



Fund facts

Fund manager	Carsten Dehn & Ulrik Ellesgaard
Launch date	10/17/16
NAV per unit (EUR)	135.66
Fund size (EURm)	130
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 July 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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