



# Lannebo Europe Green Transition

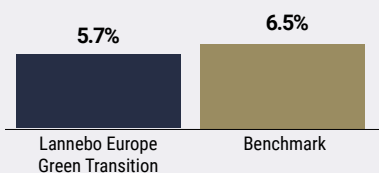
Swedish-registered equity fund, A EUR

Monthly report November 2022

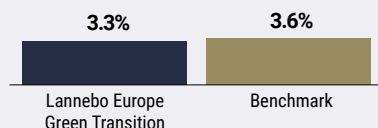
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	<b>Nov 2022</b>	Dec 2022
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## Monthly performance



## Performance YTD



Carsten Dehn, Ulrik Ellesgaard and Philip Andreassen

## Positive market sentiment

### Bought shares in Alfen

The European equity market increased in October and again in November. In both months the market has been driven by an expectation of a near term peak in inflation. ECB announced a 75-basis-point interest rate hike to tame inflation and further hikes can be expected but when inflation will start to normalise the stock market will get further momentum even though companies could release weak reports for the coming quarter. For Q3, a "risk on" market will benefit small cap versus large cap as small cap is assessed as an asset class with higher risk. In the last two months, Small Cap have performed in line with Large Cap. We believe that if the positive market continues, Small Cap will outperform. This is the pattern we have seen in the past.

During November, the EU addressed one of the biggest bottle-necks for the green transition, easing the permitting period for renewable energy. These issues are continuously raised by developers and evidence have shown that permitting could extend, in worst case, up to 10 years in some European countries. The EU Commission proposed new emergency permitting rules with the purpose of accelerating the permitting.

## Performance\*

Performance. %	Lannebo Europe Small Cap	Benchmark
November 2022	5.7	6.5
Since launch (10/17/16)	3.3	3.6

<sup>1</sup> The performance is based on closing prices.

\*Net of fees

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-	-	-	-	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	5.6	5.7	-

The performance of the fund was 5.7 percent measured in EUR, compared with the benchmark's return of 6.5 percent in EUR.

The fund has established a framework for identifying sustainable revenue based on our proprietary Green Impact assessment. All companies in the portfolio are qualified as sustainable and we target a Green Revenue share of at least 60 pct on an aggregated portfolio level. We require a minimum of 25 pct Green Revenue alignment on company level.

Genuit and Befesa were the most positive contributors in November.

The best performer in November was Genuit, the UK producer of piping systems, water and climate management systems. The market reacted positively to the group's new mid-term margin target and their simplification and efficiency programs announced at their capital markets day. The new mid-term target supports significant margin uplift potential of up to 4 percentage points. Furthermore, Genuit will increase their focus on reducing their carbon footprint by e.g. increasing the use of recycled inputs in its solutions. We are pleased to see the company quantifying their financial ambitions and improving their sustainability efforts.

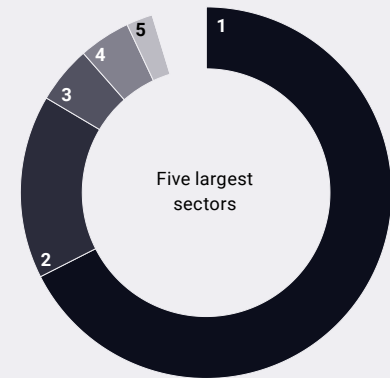
Befesa, the servicing company engaging with the collection and recycling of steel dust and aluminum residues from furnace owners, was a strong contributor in November. Their operations are uniquely positioned to benefit from a highly regulated market and structural demand for electric arc furnace steel and aluminum, which carries a significantly lower carbon burden than blast furnaces. Befesa held an investor day where they broke down the incremental growth opportunities they see in different regions and a derived capital commitment plan.

Alfen and Nexans were the most negative contributors in November.

Nexans is the global market leader in High voltage cables and the second largest company in the cable industry. The company has outperformed the industrial sector year to date, which is why we deem the weaker share price performance in November is due to profit taking. Nexans have successfully continued their growth in the most profitable business areas, high voltage cables, and are further consolidating the market which is in line with the group's overall strategy. We see some cyclical risk to their low-/medium voltage business areas but expect continued strong demand in their high voltage business amidst the focus on energy transition and electrification.

Alfen is a Dutch developer and producer of smart grids solutions, energy storage solutions and EV charging equipment. Their recent quarterly report saw the group grow by 103 percent, which was mainly due to a stronger than expected performance in EV charging. However, this strong performance was not followed by a guidance upgrade for the full year, which worried the market expectations for Q4. We acknowledge that Alfen's profitability will be affected by a weaker product mix in Q4 but expect the continued strong growth in all its end markets to outweigh the headwinds. Furthermore, we believe that the market is underemphasizing the growth opportunities they have in the smart grid's solutions, which will be deemed critical for the energy transition.

## Sector allocation



#	Sector	% of the fund
1.	Industrials	67.6
2.	Energy	16.0
3.	Consumer discretionary	5.0
4.	Information technology	4.5
5.	Real estate	2.3
	Cash	4,7

## 10 largest holdings

Holding	% of the fund
Spie	4.2
AFRY B	4.2
Vaisala	4.1
Vossloh	4.1
Alfen NV	4.0
Renew Holdings	4.0
DiscoverIE	3.9
Renewi Plc	3.9
Befesa	3.7
Arcadis	3.7
<b>Total 10 largest holdings</b>	<b>39.8</b>
Cash	4.7
Total number of holdings	32

## Major changes during the month

### Buy

Alfen  
SPIE

### Sell

Inwido

## Environmentally sustainable investment

A Green Transition Assessment is carried out for all investments based on our proprietary framework of criteria to classify a company's positive environmental impact. At least 25 per cent of the turnover must contribute to an environmental objective, as defined in the EU Taxonomy or in the UN Sustainable Development Goals ("SDGs").

### 1. Climate mitigation



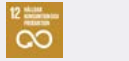
### 2. Climate adaption



### 3. Sustainable use of water



### 4. Circular economy



### 5. Pollution prevention

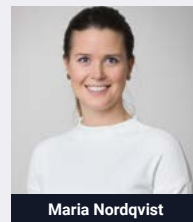


### 6. Biodiversity and ecosystems

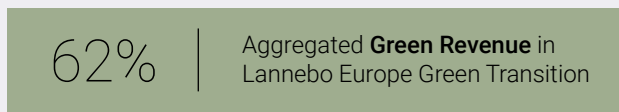


## Fund team

The fund is managed by Carsten Dehn, Ulrik Ellesgaard and Philip Andreasen together with Lannebo's sustainability team Katarina Hammar and Maria Nordqvist.

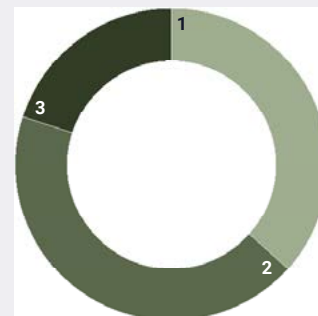


## Green Revenue in the fund



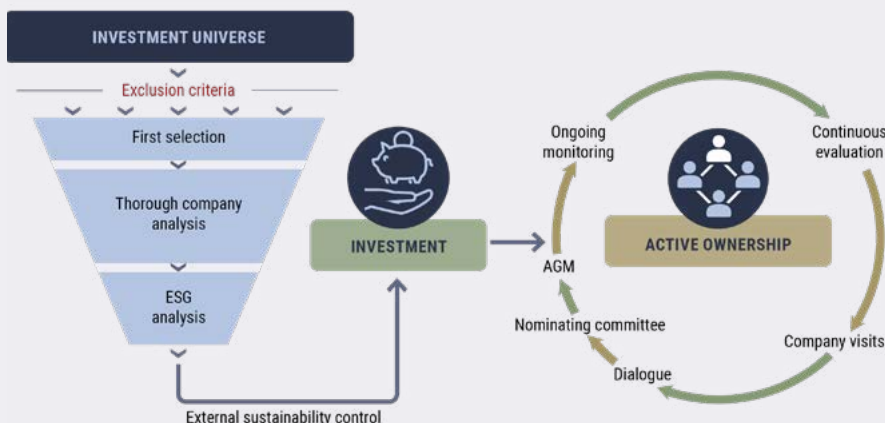
Holdings	Green revenue, %
Spie	42
AFRY B	42
Vaisala	59
Vossloh	64
Alfen NV	95
Renew Holdings	89
DiscoverIE	29
Renewi Plc	66
Befesa	97
Arcadis	72

## Science Based Target commitment



#	Commitment	Number of holdings
1.	Science Based Target initiative	11
2.	Other reduction initiative	13
3.	No public reduction targets	6

## The Lannebo model



## Risk and reward profile

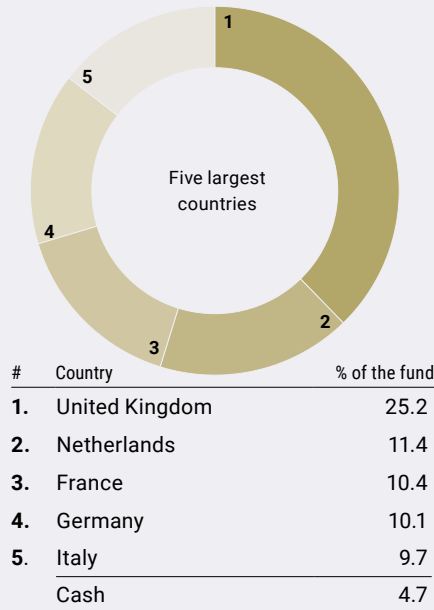
Lower risk Lower risk

1	2	3	4	5	6	7
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## Financial ratios

	Lannebo Europe Small Cap	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	
Portfolio turnover ratio (06/30/22)	N/A	

## Geographical split



## Fund facts

Fund manager	<b>Carsten Dehn &amp; Ulrik Ellesgaard</b>
Launch date	<b>09/19/22</b>
NAV per unit (EUR)	<b>103.34</b>
Fund size (EURm)	<b>8.3</b>
Ongoing charges	<b>1.62%</b>
ISIN	<b>SE0017885056</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>EUR 100</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>549300VN56CF0Z4NTW62</b>

## 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](http://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

- Believe in small and medium-sized companies on the European market.
- Want to contribute to Europe's green transition.
- Want an actively managed fund with investments based on a clear understanding of each individual company.

## The fund's investment policy

Lannebo Europe Green Transition is an actively managed equity fund that invests in small and medium-sized companies in Europe with focus on green transition.

## 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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