

Monthly report September 2023

# Lannebo Europe Green Transition EUR

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



## Stronger regulations promote green transition

Trainline gains further market share



Carsten Dehn  
[Email](#)



Ulrik Ellesgaard  
[Email](#)



Philip Andreasen  
[Email](#)

In September, European equities grappled with the challenges posed persistent concerns over a prolonged environment of higher interest rates and ongoing Eurozone economic fragility. The EU Commission's initiative to review and enhance the Sustainable Finance Disclosure Regulation (SFDR) is a welcome development for our fund. This proactive step aims to address and mitigate prevalent issues such as greenwashing and mislabeling, thus providing a more transparent and reliable framework for investors. It signifies a strengthening of the regulatory environment underpinning funds categorized under Articles 6, 8, and 9. For our Article 9 fund, Lannebo Europe Green Transition, this refinement in regulation underscores our commitment to genuine sustainability and positions us favorably in a market increasingly attentive to authentic ESG compliance.

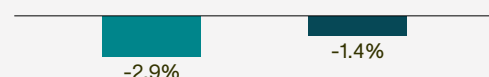
Moreover, with the recent endorsement of the Renewable Energy Directive (RED III), aiming for a renewable energy share of at least 42.5 percent by 2030, a proactive policy environment is fostering the growth and valuation of SMID Caps contributing to Europe's green transition, aligning with the strategic focus of our fund.

Renewi and Trainline emerged as the two most positive contributors in September.

Renewi, the UK-based waste-to-product company, emerged as the month's top contributor. The company received an unsolicited offer from Macquarie at 775p per share, a premium of 52 percent to the closing price. We are aligned with the board's decision to decline the offer, as it deems the proposal a fundamental undervaluation of the company and its future prospects. Actively initiating engagement with involved stakeholders, we aim to discuss the unfolding process, maintaining an engaged presence and fostering constructive dialogue. We maintain emphasis on Renewi's ongoing restructuring process designed to improve its profitability profile and expedite hazardous waste activities, all underpinned by the required licensing and

## The fund's performance\*

- 1 month
- 1 year



Performance (%)	Fund	Index <sup>1</sup>
September 2023	-2.9	-3.8
YTD 2023	-9.7	-1.5
1 year	-1.4	9.1
Since launch (09/19/22)	- 8.7	0.7
2022 <sup>1</sup>	0.9 <sup>2</sup>	2.3 <sup>2</sup>

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

<sup>2</sup> Refers to the period 19/09/22-31/12/22.

\*Net of fees

Jan	Feb	Mar	Apr	May	Jun
4.8	-1.9	-2.8	-1.0	-3.1	0.2
Jul	Aug	Sep	Oct	Nov	Dec
0.8	-3.8	-2.9	-	-	-

commercial procedures.

The UK facilitator of rail and coach travel bookings, Trainline, was one of the best performers in September. Trainline reported strong H1 sales and revenue, exceeding annual growth guidance with net ticket sales up 23 percent and revenue up 19 percent. UK experienced strong sales growth despite several strike days, while international sales were robust, especially in Spain and Italy. The penetration of e-ticket usage increased to 46 percent emphasizing Trainline's value proposition. Management maintained the yearly guidance and, additionally, a new capital allocation framework was introduced with a £50m share buyback plan over the next year.

Lu-Ve and Alfen were the two most negative contributors in September.

The Italian manufacturer of heat exchangers for heat pumps, Lu-Ve, was a poor performer in September. Following five years of strong growth, Lu-Ve reported its half year trading report where revenues and EBITDA were stable, a trend expected going into H2 as well. Profitability was sustained during the first half and management focus is preserving this for full year. We believe, that Lu-Ve's diversification of product applications, will remain a key factor for the medium and long term growth. This is further supported by secular trends such as electrification, decarbonisation, data centre evolution, and the uptake of green refrigerant gases.

The Dutch manufacturer of Smart grid solutions, energy storage and EV chargers, Alfen, was one of the worst performers in September. In August, Alfen reduced their guidance following a more challenging market conditions and greater destocking in EV chargers. Consequently, the market is questioning Alfen's market position and value proposition in EV charging. We believe the market is undervaluing Alfen's opportunities within Smart Grids and Energy Storage which operationally are performing strongly.

## Largest holdings

Holding	Share of the fund (%)
Renewi	5.4
Arcadis	5.3
SPIE	5.2
Renew Holdings	4.9
Trainline	4.8
Belimo	4.5
Genuit Group	4.4
Nexans	4.1
Aalberts	4.0
DiscoverIE	3.9
<b>Total ten largest holdings</b>	<b>46.5</b>
Cash	5.0
Total number of holdings	32

## Main changes

Bought	Sold
-	Salcef
-	Greenvolt
-	-

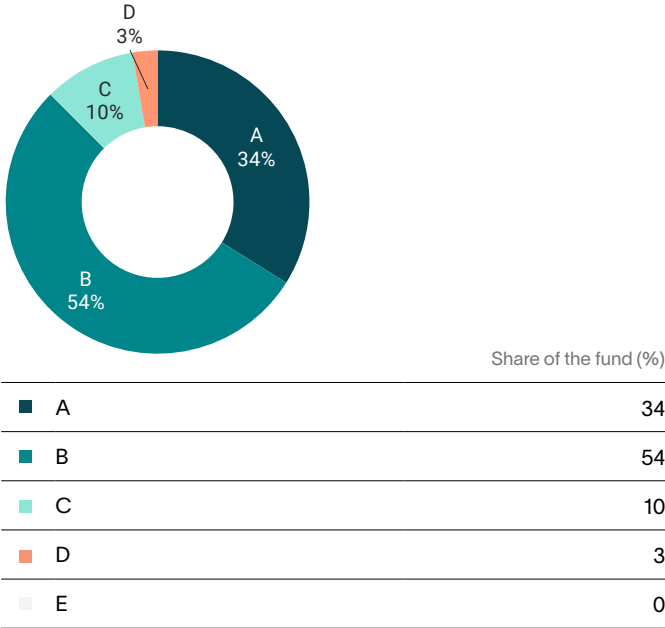
## Sector allocation

Sector	Share of the fund (%)
Industrials	70.5
Energy	9.6
Consumer discretionary	7.3
Information technology	4.2
Real estate	3.4

We work actively to take advantage of business opportunities and avoid risks related to the environment, social sustainability and corporate governance.

Sustainability grade

Lannebo’s sustainability analysis identifies and grades the portfolio holdings’ management of sustainability risks, environmental impact, and sustainability in the business model. A is the highest grade and E the lowest.



Nomination committees 2023

Lannebo participate in nomination committees to contribute to competent boards with relevant experience for the companies.

Company
Inwido

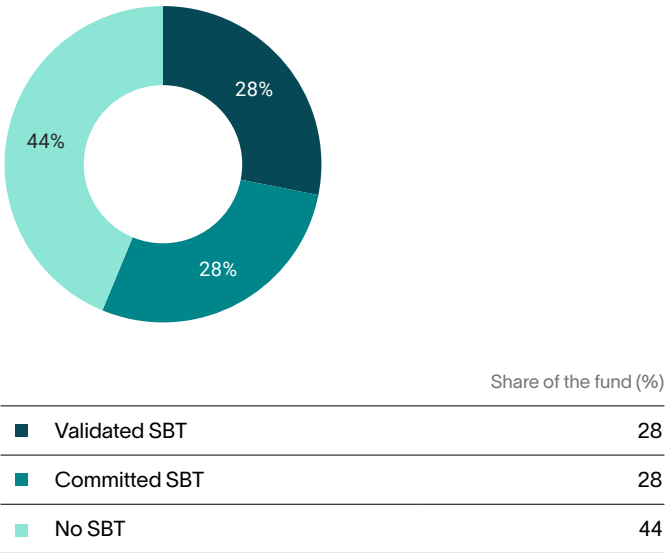
Voting

	Share of the fund (%)
2023 YTD	68
2022	6

Climate target

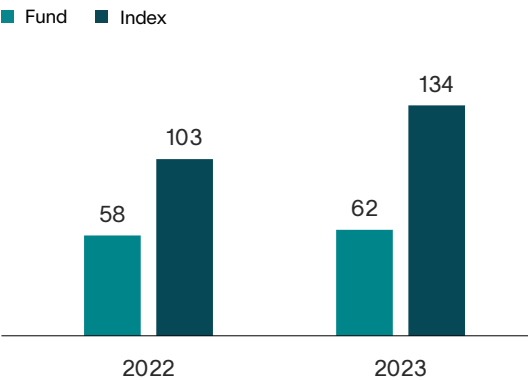
Lannebo has committed to a climate target that requires the companies in material sectors within its portfolios to establish science-based emissions reduction targets, SBT.

Year 2040: 100%    Year 2030: 50%



Carbon footprint

Carbon footprint, measured as the weighted average carbon intensity, shows the fund’s exposure to companies with high carbon intensity. Higher carbon intensity is an indication of higher climate change-related risks.



Gender equality on boards

The objective is to ensure greater gender representation by aiming for a minimum of 40 percent representation of the under-represented gender among board members on average.

	Share (%)
Women	37
Men	63

## Financial ratios

	Fund	Index
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	n/a	

## Country allocation



Country	Share of the fund (%)
United Kingdom	31.2
France	11.9
Netherlands	11.5
Italy	10.4
Sweden	9.1
Other	20.8

## Fund facts

Fund managers	Carsten Dehn, Ulrik Ellesgaard & Philip Andreasen
Launch date	09/19/22
NAV per unit	EUR 91.30
Fund size	EURm 13
Ongoing costs*	2.2%
ISIN	SE0017885056
Trading frequency	Daily
Minimum investment amount	EUR 100
Supervisory authority	Finansinspektionen
LEI	549300VN56CF0Z4NTW62

\* Ongoing costs consist of management fees and other administrative or operating costs (an estimate based on actual costs over the past year) and transaction costs (an estimate of costs incurred when a fund buys and sells securities).

## Risk indicator

1	2	3	4	5	6	7
Lower risk						Higher risk

## Green Revenue

Holding	Green revenue (%)
Renewi	66
Arcadis	72
SPIE	42
Renew Holdings	89
Trainline	99
Belimo	80
Genuit Group	43
Nexans	42
Aalberts	39
DiscoverIE	29

## Explanations\*

---

### Alpha

Describes the effect of the portfolio manager's decisions on the return of the fund. A positive alpha value is the riskadjusted excess return relative to the return of the benchmark.

---

### Carbon footprint

The weighted average carbon intensity is calculated by multiplying the portfolio company's weight in the fund by the portfolio company's emissions (scope 1 and 2) in relation to its revenue in millions of SEK. In 2022, Lannebo changed data provider.

---

### Benchmark

MSCI Europe Small Cap Climate Paris Aligned 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.

\* Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. ([www.msci.com](http://www.msci.com))

---

### Beta

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.

---

### Sharpe ratio

A measure of risk adjusted return. Calculated as the ratio of the fund's excess return above the riskfree rate of return and the fund's total risk

---

### 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 [en.lannebo.se](http://en.lannebo.se).

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.

---

### Information ratio

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

---

### Total risk

Given as the standard deviation of variations in the total return of the fund or index.

---

### Tracking error

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.