

Monthly report February 2024

# 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



## Seizes Strategic Opportunities

### Positive Reporting Season Trends



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The reporting season in Europe is currently underway, and for the most part revealing positive results and a promising start to the year. Market caution persists, reflecting a more cautious outlook on interest rate cuts due to a robust economies. We interpret this as an opportunity for strategic positioning, focusing on the resilience and growth potential inherent in the Europe Green Transition.

Earlier this month, the European Commission proposed new 2040 climate targets. This initiative highlights the EU's commitment to climate leadership and outlines a clear policy direction for the coming decade. The Lannebo Europe Green Transition fund aligns with these initiatives, positioning our portfolio to capitalize on the EU's ambitious strategy.

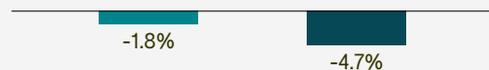
Nexans and Aalberts emerged as the top positive contributors to performance in February.

Nexans, a global player in the cables industry, outperformed the market after delivering a strong 4Q result in February. The guidance for 2024 was also higher than expected. The company is benefitting from the green transition, and we believe that with the high focus on execution there is potential for margin improvement in the coming years.

Aalberts, the Dutch industrial Group focusing on gas and water control, was a strong performer in February. We were pleased to see the high organic growth partly driven by Ecofriendly Buildings; now representing more than 50% of sales. The company experienced significant cash generation due to reduced inventory levels.

### The fund's return\*

- 1 month
- 1 year



Performance (%)	Fund	Index <sup>1</sup>
February 2024	-1.8	-0.4
YTD 2024	-3.4	-2.6
1 year	-4.7	-2.3
Since launch (09/19/22)	-0.9	7.8
2023 <sup>1</sup>	-1.7 <sup>2</sup>	8.3 <sup>2</sup>
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
-1.5	-1.8	-	-	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

DiscoverIE and Lu-Ve were the two most negative contributors to performance in February.

DiscoverIE, the UK based manufacturer of customized electronic components for various applications, was the worst performer in February. The company issued a trading update showing slower growth due to lowered post-pandemic inventories and supply chain issues. Lead times have started to normalized and DiscoverIE are continuing to get new design wins, which is a leading indicator for new business growth. We believe that DiscoverIE is uniquely positioned to benefit from the green transition with their mission critical electronic components.

LU-VE, an Italian producer of industrial heating, ventilation, and air conditioning (HVAC), underperformed in February. There was no company specific news, but market data suggest weak demand. There are, therefore, stock market concerns that Q4 results will show weakness. We share that concern, but see the slow-down more specifically in relation to the heat pump market (12% of sales). The commercial refrigeration should show early signs of in improvement in 2024.

## Largest holdings

Holding	Share of the fund (%)
Arcadis	5.2
Genuit Group	5.2
Trainline	4.9
Nexans	4.7
Renew Holdings	4.4
Aalberts	4.3
SPIE	4.1
Salcef Group	4.1
Lindab	4.1
Renewi	4.0
<b>Total ten largest holdings</b>	<b>45.0</b>
Cash	2.7
Total number of holdings	32

## Main changes

Bought	Sold
-	-
-	-
-	-

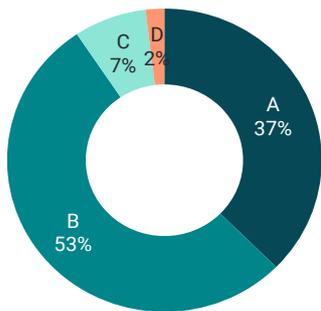
## Sector allocation

Sector	Share of the fund (%)
Industrials	73.5
Energy	8.8
Consumer discretionary	6.9
Information technology	4.7
Real estate	3.3

## 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.



Share of the fund (%)

A	37
B	53
C	7
D	2
E	0

### Nomination committees

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

Company

Inwido

### Voting

Share of the fund where Lannebo has voted at the general meeting.

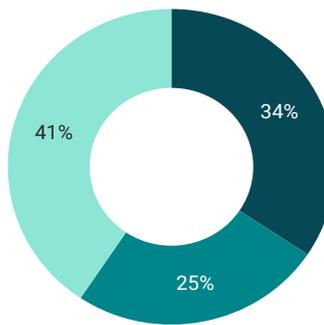
Share of the fund (%)

2024 YTD	6
2023	69
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%



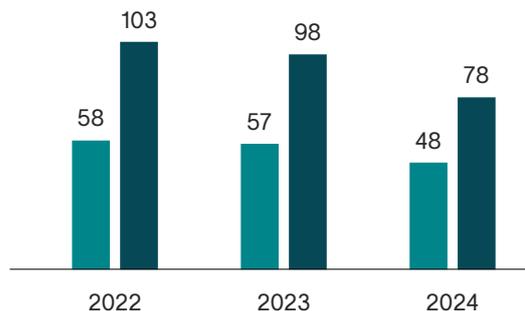
Share of the fund (%)

Validated SBT	34
Committed SBT	25
No SBT	41

### 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.

Fund    Index



### 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.

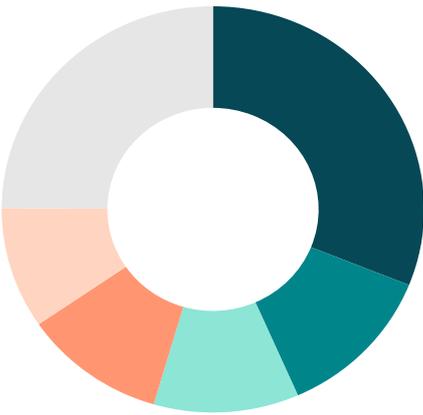
Share (%)

Women	38
Men	62

## 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	30.2
Netherlands	12
Sweden	10.8
France	10.6
Italy	9.4
Other	24.2

## Fund facts

Fund managers	Carsten Dehn, Ulrik Ellesgaard & Philip Andreasen
Launch date	09/19/22
NAV per unit	EUR 99.02
Fund size	EURm 11
Management Fee	1.6%
Ongoing costs*	2.1%
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
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Lower risk

Higher risk

## Green Revenue

Holding	Green revenue (%)
Arcadis	39
Genuit Group	32
Trainline	100
Nexans	48
Renew Holdings	25
Aalberts	41
SPIE	42
Salcef Group	85
Lindab	49
Renewi	65

## Explanations\*

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### 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.

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### 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 EUR. In 2022, Lannebo changed data provider.

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### 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.

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### 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.

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### 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

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### 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.

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### Information ratio

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

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### Total risk

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

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### 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.