

Monthly report March 2024

Lannebo Europe Small Cap 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.

Spring cleaning in the portfolio

Several new holdings



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The management of the fund was assumed by Öhman's global equity team as of March 11 in conjunction with Öhman's acquisition of Lannebo fonder. The fund was previously managed from a branch in Denmark that has now closed. We, that now manage the fund, also manage a global small cap fund within our mandate and in that capacity are already familiar with many of the fund's holdings.

The fund's investment orientation will remain the same, although it is natural that as the new managers we will make our own impact on the portfolio. Our changes are aimed primarily at improving the fund's liquidity, divesting or adding to a range of holdings that are too small to be significant for the portfolio (<1%), reducing the largest positions (approximately from 5% to 3%), and reducing the overweight to the industrial sector.

At this initial stage, we will make relatively many changes to the fund until we achieve what we consider to be a more balanced portfolio. This should be accomplished within a couple of months; thereafter we will have a more normal turnover rate.

As we start to restructure the portfolio, we would like to highlight some of the new holdings that have been added in recent weeks; additional new investments will be introduced in the next monthly report.

BFF Bank (finance, Italy, EUR 2.3 billion) is a niche bank that largely engages in factoring in the form of supplier invoices to predominately the healthcare systems in several European countries. The counterparties are notoriously late payers, but they always pay. In the meantime, the creditor is entitled to legal late payment interest and charges, which gives the bank a positive net interest income with very limited credit risk. With its home market in Italy and a presence in nine countries, it is now the leading European player in its niche. BFF is a given fund investment due to the combination of a strong market position, a favorable regulatory situation, high profitability, low valuation, and low business risk.

The fund's return*

- 1 month
- 1 year



Performance (%)	Fund	Index ¹
March 2024	2.2	4.3
YTD 2024	0.8	3.5
1 year	-2.3	10.2
3 years	-5.5	2.1
5 years	25.7	34.8
Since launch (10/17/16)	29.4	62.5
Average 24 months	-4.8	0.1
2023 ¹	-0.4	12.7
2022 ¹	-20.1	-22.6
2021 ¹	29.4	23.9
2020 ¹	3.6	4.6
2019 ¹	31.6	31.4

¹ The performance is based on closing prices.

* Net of fees

Jan	Feb	Mar	Apr	May	Jun
-0.7	-0.7	2.2	-	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

Catena (real estate, Sweden, EUR 2.5 billion) is a real estate company focused on warehouses and logistics properties. Logistics, generally, is an interesting real estate segment with continued strong rental growth. Catena's conditions for growth are excellent considering its ownership of large areas of land that can be profitably developed. A relatively strong balance sheet (LTV ~37%) also provides opportunities for new acquisitions.

Huhtamäki (materials, Finland, EUR 4.2bn) is a global and fully integrated manufacturer of packaging for mainly food- and other consumables. The company is a global leader and is clearly affected by the prevailing focus on sustainability and circular solutions. Packaging is an area that uses significant resources and accounts for a great deal of waste. Huhtamäki primarily focuses on products made of organic materials (cardboard and fiber). The company's innovations in, among other things, fiber-based products are competitive substitutes for plastics. The company's stated goal is that all its products can be recycled, reused or composted by 2030 at the latest.

Tecan (health care, Switzerland, EUR 4.8 billion) is a leading European company in the development and production of lab equipment and instruments for biopharma, MedTech, and diagnostics, with several products for automation and robotization for lab work. The company is well diversified and has ~75% recurring revenue. In the long term, the business is supported by an aging population and a high rate of innovation. Short term, we see the weak post-covid market that was pressured by large inventories begin to brighten, the company's book-to-bill is just under 1 and we see this improving during the year. Tecan has several product launches - among others, antibody purification and a couple of digital solutions - in 2024, which will help the company gain additional market share.

Below is a summary of the winners and losers among existing holdings.

Coats, the market leader in sewing threads for clothing and footwear, reported full-year earnings that were well received by the market. The year was tough for the industry, but Coats gained market share and sales fell less than expected, while sales of recycled material threads showed clear progress. The stock traded up roughly 19% during the month.

The fund's investments in the property sector also performed strongly in March following a weak start to the year. **Aroundtown** was up 20% during the month, while **LEG Immobilien** was up 17%. The crisis in the German real estate market seems to have passed its most critical phase and both companies assess that they can now divest holdings around book value to strengthen their balance sheets.

Kainos Group, an investment made in February, got off to a rough start in the portfolio, sliding 12% during March. We did not find any company-specific triggers for the negative price development, but, in accordance with the previous managers, we make the assessment that the company's future prospects are good, even if demand from the British government - approximately 50% of the business - can vary substantially during the year depending on when the British election is held.

Largest holdings

Holding	% of the fund
LU-VE	4.0
Coats Group	3.9
Volution	3.9
Somero Enterprises	3.3
Rotork	3.2
AAK	3.0
DO & CO	2.9
Bank of Georgia	2.9
Brembo	2.8
Beazley	2.7
Total ten largest holdings	32.6
Cash	3.4
Total number of holdings	50

Main changes

Bought	Sold
BFF Bank	Medios
Catena	Big Technologies
Tecan	-

Sector allocation

Sector	% of the fund
Industrials	40.2
Financials	16.4
Healthcare	10.6
Information technology	7.5
Consumer discretionary	6.8
Consumer staples	5.6
Real estate	5.5
Material	2.1
Energy	1.9

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

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	7
2023	48
2022	25

Gender equality on boards

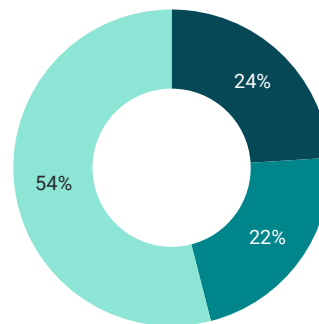
The objective is to ensure greater gender representation by aiming for a minimum of 40 percent representation of the under-represented gender among board members on average.

	Share (%)
Women	39
Men	61

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.

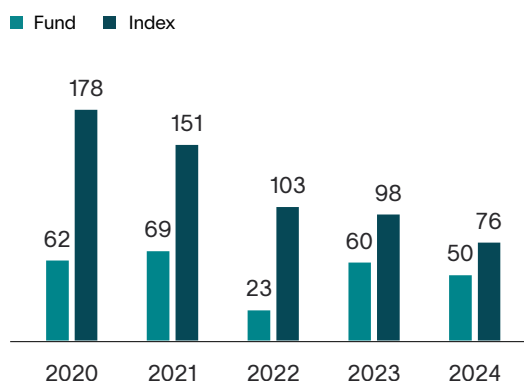
Year 2040: 100% Year 2030: 50%



	Share of the fund (%)
Validated SBT	24
Committed SBT	22
No SBT	54

Carbon footprint

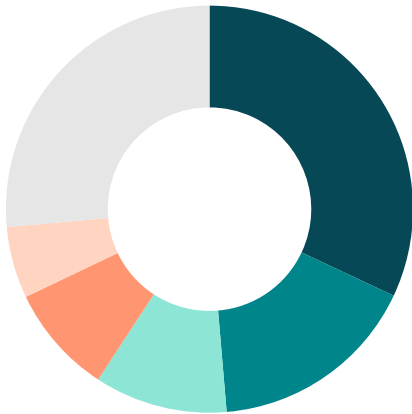
Carbon footprint, measured as the weighted average carbon intensity, shows the fund's exposure to companies with high carbon intensity. Higher carbon intensity is an indication of higher climate change-related risks.



Financial ratios

	Fund	Index
Sharpe ratio	-0.3	0.0
Total risk (%)	19.2	20.5
Tracking error	5.7	
Information ratio	-0.9	
Alpha	-4.9	
Beta	0.9	
Portfolio turnover ratio	0.2	

Country allocation



Country	Share of the fund (%)
United Kingdom	30.9
Italy	16.1
Germany	10.2
Sweden	8.4
Austria	5.5
Other	25.5

Fund facts

Fund managers	Andreas Mattson and Anna Eliason (outsourcing agreement with Öhman Fonder)
Launch date	10/17/16
NAV per unit	EUR 129.42
Fund size	EURm 103
Management Fee	1.6%
Ongoing costs*	1.9%
ISIN	SE0008092290
Trading frequency	Daily
Minimum investment amount	EUR 100
Supervisory authority	Finansinspektionen
LEI	549300L5238BIDO3O341

* 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



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.

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.

Information ratio

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

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

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

Total risk

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

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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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.

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.

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.