Semi annual report 2024

Lannebo

Lannebo Småbolag

Fund managers

Per Trygg

Experience:
MBA Uppsala University 1996, Aragon Securities Equity Analyst 1996, MTG Group Business Controller 1997-1998, SEB Equity and Credit Analyst 1998-2007, SEB Investment Management Fund Manager Small Cap Funds 2007-2021, Lannebo Fonder Fund Manager 2021-.

Hjalmar Ek

Experience:
Bachelor's degree in Business and Economics Uppsala Universitet 2016, Lannebo Fonder Analyst 2016—2018, Fund Manager 2018–.

Lannebo Småbolag

Investment Policy

Lannebo Småbolag is an actively managed equity fund that invests in small and medium-sized listed companies in the Nordic region, with a particular emphasis on Sweden. At the time of investment, the companies included in the fund must have a market capitalization that does not exceed 1 percent of the total market value on Nasdaq Stockholm. As of June 30, 2024, this equated to a market value of approximately 113 billion SEK

Fund Performance

The fund's assets under management increased from 27.8 billion SEK at the beginning of 2024 to 31.7 billion SEK as of June 30, 2024. The net inflow during this period was 337 million SEK. During this period, the fund appreciated by 13 percent, while the fund's benchmark index, Carnegie Small Cap Return Index (CSRX), rose by 8.6 percent.

Comment to the fund's performance

The holdings that contributed most positively to the fund's return were Mycronic, Lagercrantz, and AAK. Mycronic is fulfilling a significant order book for highly profitable products within its business area of photomask writers for advanced displays. The company has a substantial net cash position, which is likely to be used for strategic acquisitions.

The technology group Lagercrantz has continued to execute complementary acquisitions and has grown its operating profit despite challenging economic conditions. The specialty fats company AAK has successfully increased profitability per kilogram through internal efficiency improvements, optimization of its product portfolio, and favorable market conditions. No holdings had a significant negative impact on the fund's return during the period.

The fund's three largest holdings are Addtech, Beijer Ref, and Lagercrantz. Addtech is a technology solutions group with roots in Sweden but with an increasingly European presence. Acquisitions of smaller companies combined with decentralized responsibility are central elements of its strategy. Beijer Ref is a distributor of refrigeration and ventilation products that has built a global position through strong supplier relationships and a successful acquisition strategy. Lagercrantz is a supplier of niche technical solutions. The company operates in a decentralized manner and has gradually increased the proportion of its proprietary products over the years.

The funds performance	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024-06
Net Asset SEK millions	15 375	18 903	21 388	23 793	21 595	29 834	31 841	36 082	23 638	27 793	31 747
NAV Share class SEK	57,12	74,66	81,90	92,34	90,74	127,40	150,35	194,67	133,90	163,66	184,86
Number of outstanding units, thousands, Share class SEK			261 135	257 366	237 218	232 527	210 729	184 486	175 318	168 933	170 764
Dividend SEK per unit, share class SEK	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Annual return , Share class SEK	22,5	30,7	9,7	12,7	-1,7	40,4	18,0	29,5	-31,2	22,2	13,0
NAV Share class SEK C					91,11	128,92	153,36	200,15	138,80	171,03	193,89
Number of outstanding units, thousands, Share class SEK C					453	817	34	15	6	32	29
Dividend SEK per unit, share class SEK C					0,0	0,0	0,0	0,0	0,0	0,0	0,0
Annual return , Share class SEK C					-8,8	41,5	19,0	30,5	-30,7	23,2	13,4
NAV Share class EUR			106,60	117,01	111,38	151,85	186,12	236,81	149,80	183,33	203,18
Number of outstanding units, thousands, Share class EUR			1	25	25	66	82	69	96	85	75
Dividend SEK per unit, share class EUR			0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Annual return % Share class EUR			6,6	9,8	-4,8	36,3	22,6	27,2	-36,7	22,4	10,8
Benchmark, % SEK *	21,6	30,1	12,2	8,8	-0,2	43,2	23,0	37,1	-31,4	14,7	8,6
Benchmark, % EUR *			9,2	6,1	-4,3	40,5	27,7	34,8	-37,0	14,7	6,5
Active share % *					70,0	67,0	66,0	68,0	70,0	69,0	68,0
Tracking Error, SEK % **	3,0	4,8	5,0	3,5	4,5	5,2	5,3	4,6	4,4	6,6	6,6
Tracking Error, EUR % **					4,4	5,5	5,5	4,7	4,5	6,5	6,5

* Benchmark Carnegie Small Cap Return Index)

** Tracking error: Tracking error shows how much the fund's return deviates from its benchmark index. It is calculated by measuring the difference between the fund's return and that of the benchmark index, based on monthly data from the past two years. The measure is calculated as the standard deviation of the difference in returns. In theory, one can expect that the fund's return will deviate from the index, plus or minus, by the percentage indicated by the active risk measure in two out of three years. For example, if a fund has an active risk of 1.5, one can theoretically expect the fund to return plus or minus 1.5 percent against its benchmark index in two out of three years.

Top 5 holdings 2024-06-30

Holding	Weight
AddTech B	6,2
Beijer Ref B	5,4
Lifco B	5,2
Lagercrantz	5,1
AAK	5,0

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Balance sheet

SEK thousands	Note	2023-12-31	2024-06-30
Assets			
Treansferable securities	1	27 018 567	30 482 688
Total financial instruments with a positive market value		**27 018 567**	**30 482 688**
Cash and cash equivalents		770 233	1 294 594
Prepaid expenses and accured income		13 775	3 387
Other assets		30 371	10 594
Total assets		**27 832 946**	**31 791 263**
Liabilities			
Accured expenses and fererred income		-34 382	-39 667
Other liabilities		-5 649	-4 493
Total liabilities		**-40 031**	**-44 160**
Total net asset	**2**	**27 792 915**	**31 747 103**
Memorandum items		**None**	**None**
Conversion rate EUR balance sheet		11,36	

Note 1 **See holdings in financiel instruments below**

Note 2 **Change in net asset**

	2023-12-31	2024-06-30
Net asset in the beginning of the year	**23 637 748**	**27 792 915**
Unit issue	2 597 013	2 557 045
Unit redemption	-3 492 032	-2 220 052
Net result according to income statement	5 050 186	3 617 195
Net asset at the end of the year	**27 792 915**	**31 747 103**

	Market value	Wieght fund %
Category 1		
Industrial goods & services		
AddTech B	1 971 967	6,2
Beijer Alma B	745 148	2,4
Beijer Ref B	1 709 202	5,4
Brodrene A&O Johansen B, Denmark,	43 965	0,1
Bufab	1 168 493	3,7
CTT Systems	47 804	0,2
Hexpol B	1 078 482	3,4
Indutrade	1 319 943	4,2
Lifco B	1 645 594	5,2
Lindab	444 518	1,4
Loomis	595 292	1,9
Nibe Industrier B	209 203	0,7
Nolato B	384 288	1,2
OEM International B	731 956	2,3
Trelleborg B	1 523 976	4,8
Troax	538 659	1,7
Vaisala, Finland, EUR/SEK	447 750	1,4
	14 606 240	**46,0**
Staples		
AAK	1 579 043	5,0
Axfood	894 626	2,8
	2 473 669	**7,8**
Healthcare		
Sectra B	731 449	2,3
Swedish Orphan Biovitrum	300 328	1,0
	1 031 777	**3,3**
Finance		
Avanza Bank Holding	430 053	1,4
Creaspac	130 579	0,4
Nordnet	899 727	2,8
	1 460 359	**4,6**
Informantion technology		
Addnode Group B	1 201 871	3,8
cBrain, Denmark, DKK/SEK	156 465	0,5
Fortnox	448 662	1,4
HMS Networks	372 981	1,2
Lagercrantz	1 621 695	5,1
Mycronic	1 295 665	4,1
NCAB Group	852 525	2,7
Vitec Software Group B	726 749	2,3
	6 676 613	**21,0**
Real estate		
Balder B	986 796	3,1
Fastighetsbolaget Emilshus B	161 564	0,5
NP3 Fastigheter	628 021	2,0
Nyfosa	1 033 425	3,3
Sagax B	1 424 222	4,5
	4 234 028	**13,4**
Sum category 1	**30 482 686**	**96,0**
Sum securities	**30 482 686**	**96,0**
Other assets and liabilities	**1 264 415**	**4,0**
Net assets	**31 747 101**	**100,0**

Accounting principles

The fund's accounting principles are based on Generally Accepted Accounting Principles and are, where appropriate, prepared in accordance with the Swedish Investment Funds Act (2004:46), the Swedish Financial Supervisory Atuhority's regulations (FFFS 2013:9), the Swedish Financial Supervisory Authority's guidance, the Swedish Investment Fund Associations guidelines and also the Swedish Accounting Act.

Valuation of financial instruments

The fund’s financial instruments including liabilities and derivatives are valued at their current market value. The current market value is established using different methods, which are applied in the following order:
1. If the financial instrument is traded on an active market, the closing price on the balance sheet date is used.
2. If the financial instrument is not traded on an active market, the current market value is derived on the basis of similar transactions that have taken place under market conditions over the past period.
3. If methods 1 or 2 cannot be applied, or will be obviously misleading, the current market value is established using a valuation model established on the market.

Material risks

Investing in stocks involves market risk in the form of price fluctuations of individual stocks. In a fund, this risk is reduced by the fund owning shares in several companies whose prices do not show the exact same fluctuations, a concept known as diversification.
At mid-year, the fund was concentrated. Overall, the diversification effect is good. The market risk, measured as the standard deviation of the fund’s returns, was higher at mid-year than the stock market as a whole (measured by the Carnegie Small Cap Return Index Sweden).
The fund's currency exposure at mid-year was 2 percent, referring to exposures to holdings listed in Danish kroner and Finnish holdings in euros. The currency exposure had a slightly positive diversification effect on the portfolio at mid-year. The fund has a share class traded in euros, which means that the share class is strongly affected by exchange rate fluctuations between the euro and the Swedish krona.
The ability to hold large positions in small and medium-sized companies means that the market liquidity risk can sometimes be high in the fund. Market liquidity risk refers to the risk of reduced liquidity in the holdings, which affects the ability to execute trades. Small-cap stocks generally have lower liquidity, which increases the need for effective management of liquidity risk in the fund. The fund's holdings are spread across different issuers to reduce this risk.
Levels of relevant risks are continuously monitored and followed up together with the results of regular stress tests. Applicable risk measures are used to assess the fund's risk profile. The fund's level of concentration and the degree of active management are also among the measures used in the system to manage the risks to which the fund is exposed. The fund has been managed during the half-year in accordance with its risk profile.

The fund’s holdings of securities have been divided into the following categories:
1.Transferable securities admitted to trading on a regulated marker or and equivalent market outside the EEA.
2.Other financial instruments admitted to trading on a regulated market or an equivalent market outside the EEA.
3.Transferable securities that are regularly traded on another market that is regulated and open to the public.
4.Other financial instruments that are regularly traded on another market that is regulated and open to the public.
5.Transferable securities which, within one year of the issue, are intended to be admitted to trading on a regulated market or equivalent market outside the EEA.
6.Transferable securities which, within one year of the issue, are intended to be regularly traded on another market that is regulated and open to the public.
7.Other financial instruments