

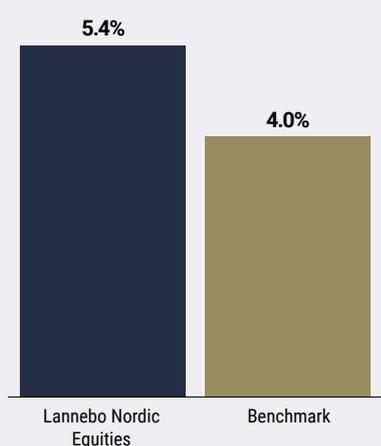
Lannebo Nordic Equities

Swedish-registered equity fund
Monthly report August 2020

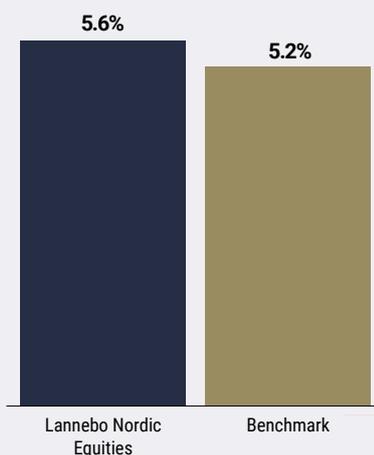
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020
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Monthly performance



Performance YTD



Charlotta Faxén and Peter Lagerlöf

Performance

Performance, %	Lannebo Nordic Equities	Benchmark
August 2020	5.4	4.0
Year-to-date 2020	5.6	5.2
Since launch (06/14/18)	30.5	20.6
2019 ¹	38.8	28.3
2018 ¹	-11.0 ²	-10.7 ²

¹ The performance is based on closing prices.

² Performance since the launch of the fund 06/14/18.

The equity market's immense appetite for risk

Hexatronic, Sampo and Autoliv new holdings.

Equity markets globally continued to develop strongly in August, driven by hopes of a corona-vaccine, continued economic policy stimuli and rising macro indicators. The market ignored the fact that the number of corona infections markedly increased in several European countries and that the tone between the US and China relations hardened. We can conclude that the appetite for risk is high among investors and that the zero interest rate policy makes equities attractive in the pursuit of returns.

Governments and central banks continued to stimulate economies in a way we have never seen before, with government policy-makers the world over agreeing that companies and households should be shielded from the virus as much as possible; this provides support to risk assets. At some point, we may think that the stimulus-bill should be paid, but this does not currently concern the market.

The Fed added to the positive stock market mood by updating its monetary policy strategy, where the most significant aspect was

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
0.1	-6.3	-14.8	10.1	6.4	1.1
Jul	Aug	Sep	Oct	Nov	Dec
5.9	5.4				

a clarification of the inflation target. The change means that if inflation is below the two per cent target of annual inflation for a period of time, it may then exceed the target by the same amount for a period before it is appropriate to tighten monetary policy. Since inflation has been below target, this means that it will take even longer before interest rate increases become relevant.

We perceive an apparent growth focus on stock markets. It is not just technology stocks that are hot - companies with sustainability profiles and those that create growth through acquisitions are also in demand. The valuation of growth companies have increased, while they remain unchanged in low-growth sectors such as telecom operators and banks.

The Q2 reporting season concluded, where the prevailing pattern was companies that continued to beat low expectations. Among the portfolio companies, Norwegian electricity supplier Fjordkraft reported strong profit growth, which in 2021 will be supported by two new acquisitions. Novo Nordisk also exceeded profit expectations. However, the US electoral process has put pressure on the pharmaceutical sector as presidential candidates, as usual, promise to lower drug prices.

The largest investments during the month were made in Hexatronic, Sampo and Autoliv. Hexatronic delivers products and solutions for optical fiber networks. The company is growing organically in line with the growth of the fiber communications market and network expansions. Acquisitions are also part of the growth strategy. Sampo is a Finnish investment company with operations in the Nordic and Baltic countries. In August, the acquisition of the British non-life insurance company Hastings was announced, which provides geographic diversification and progressively shifts the focus of the combined holdings towards non-life insurance, which is positive for the valuation.

The largest sales were made in GN Store Nord, TCM and Balder. TCM and Balder were divested in their entirety as we assess the companies will develop relatively poorly near-term; the holding in GN Store Nord was reduced after a strong share price development.

Sector allocation



#	Sector	% of the fund
1.	Industrials	27.8
2.	Consumer discretionary	18.7
3.	Health care	15.0
4.	Financials	13.2
5.	Materials	6.4
6.	Energy	4.0
7.	Real estate	3.5
8.	Consumer staples	3.3
9.	Information technology	0.9
	Cash	7.2

10 largest holdings

Holding	% of the fund
Novo Nordisk B	6.0
Harvia	5.3
Kinnevik B	4.3
Fjordkraft Holding	4.0
Instalco	3.8
Essity B	3.5
AstraZeneca	3.5
Bravida	3.4
Hexatronic	3.3
Veidekke	3.3
Total 10 largest holdings	40.5
Cash	7.2
Total number of holdings	34

Major changes during the month

Buy

Hexatronic
Sampo
Autoliv

Sell

GN Store Nord
TCM
Balder

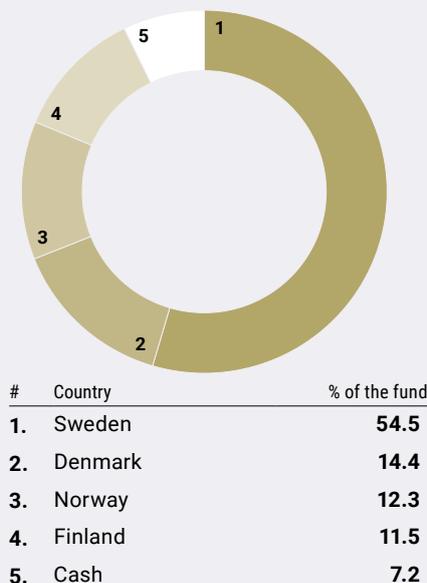
Risk and reward profile

Lower risk							Higher risk	
1	2	3	4	5	6	7		

Financial ratios

	Lannebo Nordic Equities	Benchmark
Sharpe ratio	0.2	0.2
Total risk (%)	20.7	16.6
Tracking error	6.5	
Information ratio	-0.8	
Alpha	10.1	
Beta	15.3	
Active share	78	
Portfolio turnover ratio (06/30/20)	1.0	

Geographical split



Fund facts

Fund manager	Charlotta Faxén & Peter Lagerlöf
Launch date	06/14/18
NAV per unit (SEK)	130.47
Fund size (SEKm)	110
Management fee (%)	1.6
Bankgiro	5280-1693
ISIN	SE0011311281
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI:	54930002LEVWV3EHZP32

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. 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

- Want to invest in the Nordic stock markets and seek a diversified portfolio of companies of different sizes, in different sectors and with different currency exposure.
- Want an actively managed fund with investments based on a clear understanding of each individual company.
- Can accept potential return fluctuations, and have an investment horizon of at least five years.

The fund's investment policy

Lannebo Nordic Equities is an actively managed fund where the fund manager selects individual stocks of Nordic companies. The portfolio is concentrated around 30 companies, where the managers evaluate the potential for rising profits and increasing dividends over time. The investments can be made in both large- and small caps on all Nordic exchanges in all sectors.

Explanations

Benchmark VINX Benchmark 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.

Sharpe ratio Sharpe ratio is a measure of active risk in a fund. 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.

Active share A measure of the proportion of the portfolio that differ from the benchmark.

All financial ratios are calculated according to guidelines of the Swedish Investment Fund Association.



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