

# Lannebo Teknik

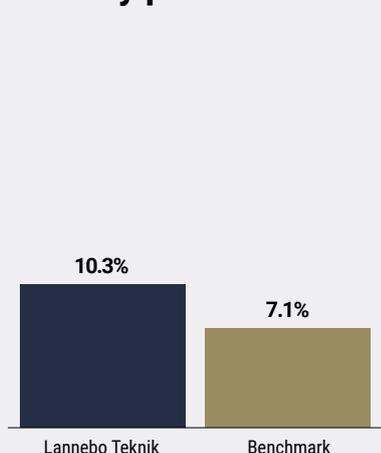
Swedish-registered equity fund

Monthly report August 2020

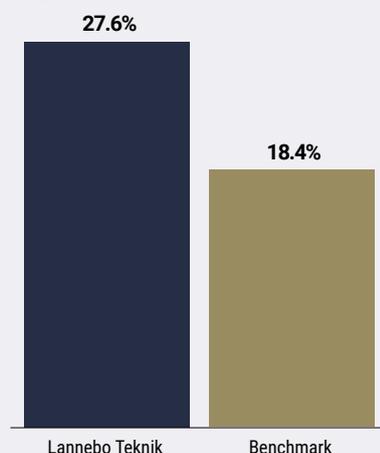
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	<b>Aug 2020</b>	Sep 2020	Oct 2020	Nov 2020	Dec 2020
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## Monthly performance



## Performance YTD



Johan Nilke and Helen Broman

## Performance

Performance, %	Lannebo Teknik	Benchmark
August 2020	10.3	7.1
Year-to-date 2020	27.6	18.4
3 years	107.2	113.5
5 years	172.5	204.7
10 years	582.6	592.7
Since launch (08/04/00)	36.8	134.6
Average annual return 24 months	21.7	19.8
2019 <sup>1</sup>	40.6	50.8
2018 <sup>1</sup>	7.3	6.1
2017 <sup>1</sup>	16.3	24.2
2016 <sup>1</sup>	10.7	20.2
2015 <sup>1</sup>	29.9	14

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

## Technology giants hit an all-time high

Apple the fund's winner.

Technology companies saw strong developments during August and the share prices of US technology giants hit all-time highs. So far this year, the shares of the five largest technology companies - Microsoft, Amazon, Apple, Google and Facebook - have together increased by just over 50 per cent, while the US S&P 500 excluding the technology giants is essentially unchanged. All five technology giants are holdings, where Microsoft is the largest.

The technology giants' monopoly-like positions have been in question and have received a lot of focus more recently, and we believe that these issues will be relevant for a long time to come. The Congressional hearing this past Summer began with the questioning of the technology companies' CEO's. In August, Epic Games questioned the App Store revenue distribution, which led to the removal from the App Store of Fortnite, the Epic Games-owned game. There has also been focus on discussions surrounding whether any of the American technology giants should buy TikTok.

Apple was the most positive contributor to performance during the month. The share price was up 20 per cent, driven in part by higher growth rate expectations in connection with the rollout of 5G, which is expected to drive demand for the next generation smartphones;

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
7.9	-8.7	-0.9	12.5	2.3	4.4
Jul	Aug	Sep	Oct	Nov	Dec
-1.4	10.3				

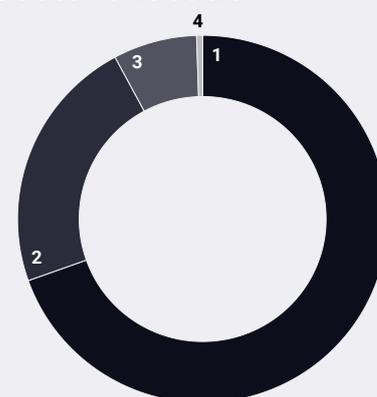
more consumers are expected to upgrade their smartphone in connection with 5G. In addition, Apple revealed in the latest quarterly report that they benefit from remote working, which in turn has driven demand for computers and tablets. During the month, we chose to slightly reduce the holding in Apple following the rapid share price increase. Apple is still one of the fund's largest holdings and we continue to view the company's position and long-term outlook positively - not least with regard to the 5G rollout.

Salesforce, which develops CRM systems, disclosed in its Q2 earnings report that revenue grew by almost 30 per cent. The high growth rate is proof of the acceleration of the digital transformation among companies. At the same time, Salesforce raised its full-year forecast, after it had lowered it in connection with the previous quarterly report. Salesforce shares rose just over 25 per cent on the reporting day and we chose to sell part of the holding. Salesforce is the fund's fifth largest holding and the stock was up a total of 38 per cent during the month.

Cisco was the most negative contributor to performance in August, with a share price decline of 12 per cent. The company's quarterly report disappointed the market with weaker than expected order intake, cost savings and a lower forecast for the coming quarters. However, the report also disclosed some positive aspects, including the digital security business area, which grew by 10 per cent, and that software now accounted for 31 per cent of total revenue.

During August, we continued to increase the holding in Palo Alto Networks. The company released a strong quarterly report, but the share price fell and we took the opportunity to increase the holding. We believe that Palo Alto is a long-term winner in digital security and will be able to demonstrate good growth rates and profitability.

## Sector allocation



#	Sector	% of the fund
1.	Information technology	66.5
2.	Communication services	21.6
3.	Consumer discretionary	7.0
4.	Financials	0.5
	Cash	4.4

## 10 largest holdings

Holding	% of the fund
Microsoft	8.3
Alphabet	6.7
Apple	6.6
Amazon.com	6.4
Salesforce.com	4.5
Sinch	3.6
Adobe	3.6
Intuit	3.5
Advanced Micro Devices	3.4
IBM	3.3
<b>Total 10 largest holdings</b>	<b>50.1</b>
Cash	4.4
<b>Total number of holdings</b>	<b>34.0</b>

## Major changes during the month

### Buy

Palo Alto Networks

Microsoft

Nintendo

### Sell

Apple

Salesforce

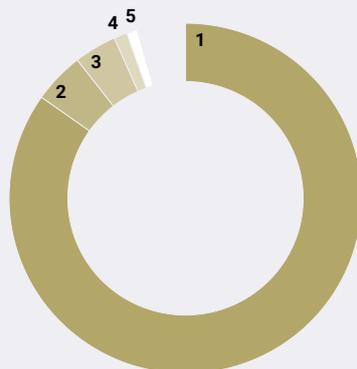
## Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

## Financial ratios

	Lannebo Teknik	Benchmark
Sharpe ratio	1.1	1.0
Total risk (%)	19.3	21.4
Tracking error	8.0	
Information ratio	0.2	
Alpha	0.4	
Beta	0.8	
Portfolio turnover ratio (06/30/20)	0.2	

## Geographical split



#	Country	% of the fund
1	North America	84.8
2	Sweden	4.7
3	Asia	3.9
4	Europe. excl. Sweden	1.2
5	Africa	1.0
6	Cash	4.4

## Fund facts

Fund manager	<b>Johan Nilke &amp; Helen Broman</b>
Launch date	<b>08/04/00</b>
NAV per unit (SEK)	<b>12.89</b>
Fund size (SEKm)	<b>7,098</b>
Management fee (%)	<b>1.6</b>
Bankgiro	<b>5563-4638</b>
ISIN	<b>SE0000740672</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
PPM number	<b>771 030</b>
Supervisory authority	<b>Finans- inspektionen</b>
LEI	<b>549300Y3UW5Y5DPJS002</b>

## 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](http://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 a global exposure to growth companies primarily in the technology sector.
- Believe in active management and investments based on a clear understanding of each individual company.

## The fund's investment policy

Lannebo Teknik is an actively managed equity fund that invests globally in equities in companies with a high content of technology, but can operate in different lines of business. Since the sector is dominated by US companies, most of the fund's assets are normally invested in the US.

## Explanations

**Benchmark** MSCI World IT 10/40 Net Total Return Index calculated in SEK. 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 risk adjusted return. 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.

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



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