

# Lannebo High Yield

Swedish-registered fixed income fund

Monthly report October 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	<b>Oct 2020</b>	Nov 2020	Dec 2020
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## Monthly performance

Lannebo High Yield

**-0.03%**

## Performance year-to-date

Lannebo High Yield

**-6.02%**



**Katarina Ponsbach Carlsson & Karin Haraldsson**

## Performance

Performance (%)	Lannebo High Yield
October 2020	-0.0
Year-to-date 2020	-6.0
3 years	-0.1
5 years	10.8
Since launch (01/30/15)	12.9
Average annual return 24 months	-1.1
2019 <sup>1</sup>	5.0
2018 <sup>1</sup>	1.0
2017 <sup>1</sup>	5.1
2016 <sup>1</sup>	5.6
2015 <sup>1</sup>	2.0 <sup>2</sup>

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

<sup>2</sup> Refers to the period 01/30/15-12/31/15.

## New restrictions lead to uncertainty Zengun and Magnolia are new holdings.

October started on a relatively positive note with an active primary market, but by the end of the month concerns increased over a second wave of the corona pandemic. The first of the Q3 earnings reports were released during the month, where most exceeded expectations. However, it will take some time before all companies have published earnings. The US presidential election, together with negotiations on a new US stimulus package, was also in focus.

We participated in a couple of new issues during the period, including Swedish housing developer Magnolia - a previous holding - that issued its first green bond in October. The bond is classified as medium green by Cicero, a third-party evaluator, where proceeds will be used to build environmentally classified properties. Magnolia issued a bond with a 3.5-year maturity and an interest rate of 3-month STIBOR + 7.5 per cent. Another of the fund's holdings, Zengun, redeemed its bonds at a premium of 104.29 and issued new bonds with a maturity of four years. Zengun is a Swedish construction company that develops properties in the Stockholm region.

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
0.6	-0.3	-16.5	3.8	1.9	2.8
Jul	Aug	Sep	Oct	Nov	Dec
0.8	1.7	0.7	-0.0		

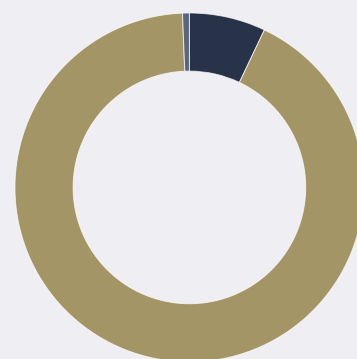
We also invested in bonds issued by Intrum and Nivika, where both are existing holdings.

On 14 September, the Riksbank initiated its purchases of corporate bonds. So far, volumes have been small at about SEK 150 million/week. It is positive that the Riksbank has its mandate in place, however, the market impact is limited given the small volumes. Our hope is that the Riksbank will increase its purchase volumes should market volatility increase.

We maintained the fund's structure during the month. Both the credit duration, the average maturity of all holdings in the fund, and the interest duration, measured as the average fixed interest period, were in principle unchanged during the period.

The rate of return is currently around 6.0 per cent before fees, given interest rates remain unchanged.

## Credit rating distribution



	Credit scoring securities	% of the fund
Investment grade	AAA	0.0
	AA+/AA/AA-	0
	A+/A/A-	0.0
	BBB+/BBB/BBB-	6.6
High yield	BB+/BB/BB-	34.8
	B+/B/B-	50.8
	CCC/CC/C	0.5
Default	D	0.6
	Cash/other	6.7

The share of the portfolio's fixed income securities without an official credit rating amounted to 74.1%, and internal credit ratings have been used for these.

## 10 largest holdings

Holding	% of the fund
SEB	4.6
Intrum	3.6
Color Group	3.4
Bewisynbra Group	2.6
Hexagon Composites	2.6
Ocean Yield	2.4
DLF Seeds	2.4
Slättö Fastpartner Spånga	2.4
BMST Intressenter	2.3
European Energy	2.3
<b>Total 10 largest issuers</b>	<b>28.7</b>
Cash	6.7
Total number of issuers	47

## Major changes during the month

Buy

Magnolia

Zengun

Sell

-

## Risk and reward profile



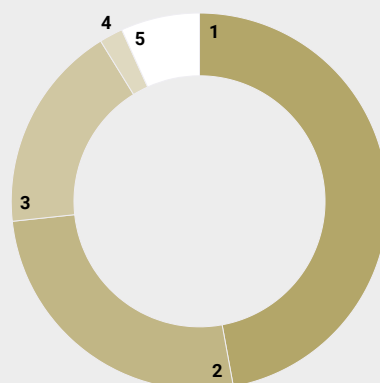
## Financial ratios

	Lannebo High Yield
Total risk (%)	12.6
Interest-rate duration (years)	0.5
Credit duration (years)	2.4
Portfolio turnover ratio (06/30/20)	0.5

## Maturity profile

	% of the fund
< 1 year	14
1-3 years	48
3-5 years	38
> 5 years	0

## Country allocation



#	Country	% of the fund
1	Sweden	46.6
2	Norway	25.9
3	Denmark	17.7
4	Germany	2.0
5	Finland	1.2

## Fund facts

Fund manager	<b>Karin Haraldsson &amp; Katarina Ponsbach Carlsson</b>
Launch date	<b>01/30/15</b>
NAV per unit (SEK)	<b>112.86</b>
Fund size (SEKm)	<b>969</b>
Management fee	<b>0.90%</b>
Bankgiro	<b>584-9369</b>
ISIN	<b>SE0006421855</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>549300XRFDNRDKE3IM10</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 higher return than traditional fixed income funds and who are willing to take on a slightly higher risk.
- Want an actively managed fund where a thorough company analysis creates long-term returns.
- Want a well-diversified fund of corporate bonds.

## The fund's investment policy

Lannebo High Yield is an actively managed fixed income fund that primarily invests in High Yield corporate bonds predominantly from issuers in the Nordic region. High Yield bonds are securities issued by companies with a lower credit rating. The average maturity of the fund's holdings is 3-5 years, but may at times deviate from this range. Investments in foreign currency are always hedged.

## Explanations

**Total risk** Given as the standard deviation of variations in the total return of the fund.

**Interest-rate duration** Weighted average life.

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

### Credit duration

Weighted average maturity.



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