



Lannebo Sverige Plus

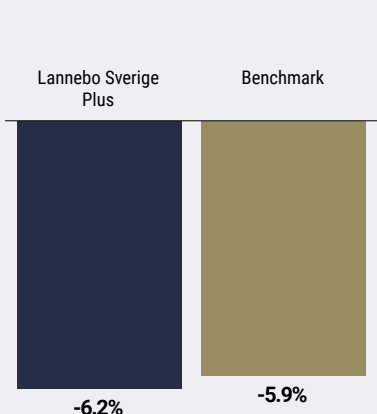
Swedish-registered equity fund

Monthly report October 2020

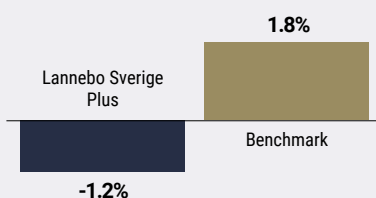
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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



Performance YTD



Martin Wallin & Robin Nestor

Performance

Performance. %	Lannebo Sverige Plus	Benchmark
October 2020	-6.2	-5.9
Year-to-date 2020	-1.2	1.8
3 years	14.8	25.1
5 years	46.2	56.8
10 years	182.5	180.0
Since launch (12/11/08)	456.3	397.9
Average annual return 24 months	6.2	12.7
2019 ¹	22.6	35.0
2018 ¹	-0.7	-4.4
2017 ¹	8.8	9.5
2016 ¹	13.3	9.6
2015 ¹	13.4	10.5

¹ The performance is based on closing prices.

The earnings period highlighted good cost control

Veoneer and Autoliv among the month's winners.

The Stockholm Stock Exchange fell back, together with European and American stock indices, during October. Increased uncertainty, albeit on previously known themes such as the US election and COVID-19, eventually gained a foothold and pressured the market. Most companies released quarterly earnings results above expectations thanks to good cost control due to structural changes as well as temporary cost effects as a result of the virus. Generally, the past quarter - for each successive month - witnessed demand improvements. Geographically, Asia and, above all, China exhibited a positive recovery. The US, European and Chinese Manufacturing PMI were above 50 indicating continued growth, albeit from depressed levels. We expect stimuli from governments and central banks to continue given the increasing worldwide spread of infection. Since 2015, the ECB has maneuvered through various asset purchases that have benefited the stock market and pressured key interest rates. The balance sheet for these purchase programs amounts to approximately a mind boggling SEK 30,000 billion. According to the ECB, it will continue to buy securities every month until shortly prior to an increase in interest rates and that it will reinvest maturities for as long as necessary. It remains to be seen

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
0.9	-8.5	-17.5	14.8	4.8	1.0
Jul	Aug	Sep	Oct	Nov	Dec
5.0	5.5	2.7	-6.2		

when “necessary” is no longer necessary.

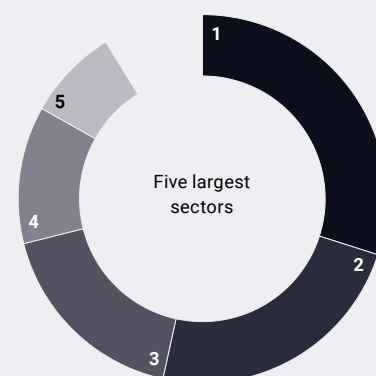
Veoneer, Autoliv and Ericsson developed positively during the month increasing 9, 2 and 1 per cent respectively. Autoliv and Veoneer benefited during the month from a continued strong demand for passenger cars. Autoliv, which correlates well with car manufacturing, released a strong quarterly report with an improved operating margin and higher earnings compared to the same quarter in 2019. Both Autoliv and Veoneer revealed very good cost control and strong cash flows. Veoneer’s organic sales decreased 7 per cent and the operating loss was roughly as expected at \$103 million. The strong cash flow was supported by effects of one-off payments and accruals, and was above expectations even when excluding these items. For the last quarter of the year, Veoneer expects to report sales growth, which we have been waiting for since the spin-off.

Ericsson exceeded our expectations and reported an operating profit of SEK 9bn and a 15.6 per cent margin. More and more customers are now investing in new improved capacity, while 5G product deliveries, given the competitive cost base, have led to good profitability in the Networks business area. Restructuring in other business areas is moving in the right direction, but continues to, as a whole, contribute negatively to the operating profit. Ericsson’s net cash amounts to SEK 41.5bn, prior to the acquisition of Cradlepoint for USD 1.1 billion.

SOBI and Nokia developed weaker than the market as a whole with share price declines of 29 and 13 per cent, respectively. SOBI presented a negative outcome of the phase 3 study for the acquired drug Doptelet, which targets certain cancer patients treated with chemotherapy (CIT). Doptelet, which was previously approved for two other treatments, failed to show any significant effect in comparison with the placebo group and the study is expected to be concluded in the near future. The company’s haemophilia products face competition and, to some extent, price pressure. The ability to acquire or collaborate to broaden the pharmaceutical portfolio is critical for the company’s future.

Nokia’s new management lowered earnings expectations for both Q4 and 2021. The company’s new Finnish CEO Pekka Lundmark plans to decentralize the company into clearer business areas with greater profit responsibility. In the coming years, more resources will be invested in research to be able to satisfy customers within 5G. We believe that the new management has communicated a strategy similar to the one Ericsson and Börje Ekholm announced in 2017 following a number of problem years. We expect a substantial margin improvement within Networks up to 2022, while at the time, the company currently has a solid balance sheet and stable recurring patent revenues.

Sector allocation



#	Sector	% of the fund
1.	Industrials	30.0
2.	Consumer discretionary	23.6
3.	Financials	17.7
4.	Information technology	12.1
5.	Health care	8.1
6.	Materials	5.9
7.	Real estate	1.8
8.	Consumer staples	-1.1
	Cash	2.0

10 largest holdings

Holding	% of the fund
H&M B	6.8
Ericsson B	6.3
Nordea	6.0
Swedbank A	6.0
SKF B	5.6
Electrolux B	4.7
SEB A	4.6
Autoliv SDB	4.6
Trelleborg B	4.6
Volvo B	4.3
Total 10 largest holdings	53.4
Cash	2.0
Total number of holdings	40

Major changes during the month

Buy

Alfa Laval
Ericsson
H&M

Sell

AstraZeneca
Industrivärden
Skanska

Risk and reward profile

Lower risk							Higher risk	
1	2	3	4	5	6	7		

Financial ratios

	Lannebo Sverige Plus	Benchmark
Sharpe ratio	0.4	0.8
Total risk (%)	23.0	18.9
Tracking error	7.1	
Information ratio	-0.9	
Alpha	-0.6	
Beta	1.2	
Active share	76	
Gross equity exposure (%)	110	
Net equity exposure (%)	98	
Portfolio turnover ratio (06/30/20)	1.7	

Fund facts

Fund manager	Martin Wallin & Robin Nestor
Launch date	12/11/08
NAV per unit (SEK)	54.23
Fund size (SEKm)	3,818
Management fee	1.0% + 20% of any excess return
Return threshold	SIX Portfolio Return Index
Bankgiro	346-3585
ISIN	SE0002686584
Trading frequency	Daily
Minimum investment amount	SEK 100
PPM number	490 292
Supervisory authority	Finansinspektionen
LEI	549300W8FUNESQQE9448

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 a Swedish equity fund with greater opportunities.
- Want an actively managed fund with investments based on a clear understanding of each individual.

The fund's investment policy

Lannebo Sverige Plus is an actively managed equity fund that primarily invests in shares on the Swedish equity market. The fund is similar to a traditional equity fund, but with more flexible investment rules. The "Plus" label reflects the fund's ability to invest more than 100 per cent of the fund's assets. For example, the fund can invest 130 per cent in shares that the fund managers are positive about and balance this by reducing its equity exposure by 30 per cent through the sale of shares that the fund does not own. i.e. short selling.

Explanations

Benchmark SIX Portfolio Return 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 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.

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.

