

Lannebo Teknik

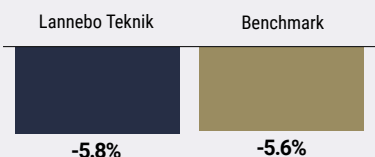
Swedish-registered equity fund

Monthly report October 2020

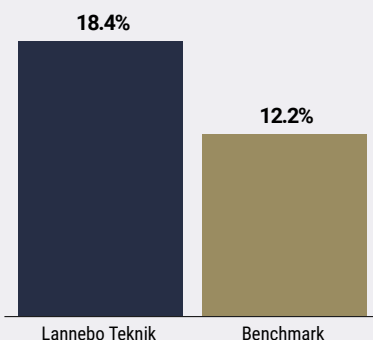
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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

Monthly performance



Performance YTD



Johan Nilke and Helen Broman

Performance

Performance, %	Lannebo Teknik	Benchmark
October 2020	-5.8	-5.6
Year-to-date 2020	18.4	12.2
3 years	73.3	77.4
5 years	132.7	164.1
10 years	499.5	511.5
Since launch (08/04/00)	26.9	122.4
Average annual return 24 months	22.3	22.4
2019 ¹	40.6	50.8
2018 ¹	7.3	6.1
2017 ¹	16.3	24.2
2016 ¹	10.7	20.2
2015 ¹	29.9	14

¹ The performance is based on closing prices.

Second virus wave shakes the market

Google winner as advertisers return from quarantine.

Corona concerns intensified during the month following reports of a global increase in the spread of infection, which led to renewed restrictions and shutdowns. The stock market interprets this as uncertainty, which led to volatility and falling share prices on a broad front. The US election also adds to the market's uncertainty. We expect continued volatility and uncertainty near term, while at the same time we see opportunities and investment possibilities.

The Q3 reporting period kicked-off during October and just over half the fund's holdings had released earnings. In general, sales were as expected, while profits exceeded analysts' expectations. In many cases, a lower cost base contributed to the strong earnings results driven by reduced travel and lower participation in trade fairs due to the pandemic. We also received indications that existing customer relationships are easy to maintain, while it is more difficult to gain new customers without physical meetings. Share price reactions were mixed, but, for the most part, a pre-requisite for a share price increase was earnings that far exceed expectations. An overriding negative market sentiment overshadowed earnings releases.

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	-1.5	-5.8		

Alphabet, which is one of the fund's largest holdings, was one of the most positive contributors to performance in October. Earnings are primarily from advertising revenue within the search service Google and the video sharing service YouTube. During the corona outbreak in the Spring, we saw a large decline in advertising from, predominately, travel and retail companies. These have now come back with a vengeance and Alphabet's quarterly earnings report - released the day before the turn of the month - surpassed analysts' expectations. We saw similar patterns in earnings from Snapchat, Pinterest and Facebook. The most impressive item in Alphabet's earnings report was YouTube's 32 per cent revenue increase compared to the same period last year. However, we continue to closely monitor developments as new restrictions can affect companies' advertising budgets.

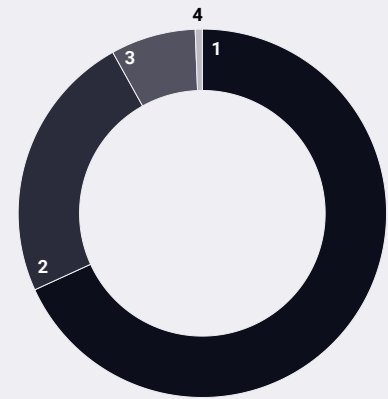
The best performing share during October was the American data security company Fireeye and the Swedish communications services company Sinch. Fireeye's quarterly earnings report provided confirmation that that the company's product offering is gaining a foothold. Our assessment has been that the company should be able to increase sales on their already good customer relationships if they get the product offering together.

Sinch received approval for one of its acquisitions and also released a new product during the month, which the market celebrated. Further, sector colleagues Link Mobility, from Norway, and Message Bird, from the Netherlands, also raised capital at high valuations; our assessment is that Sinch has a significantly better market position than both these companies. The Sinch share price also benefited when the share price of its US equivalent, Twilio, increased on an upward adjusted earnings forecast and an acquisition. Longer-term, we assess that Sinch can benefit as Twilio might be perceived as a competitor by Twilio's - and Sinch's - current customers as the acquisition moves them up the value chain.

Mastercard was the largest negative contributor to performance with a share price decline of 15 per cent in October. However, since the corona outbreak in March, when the fund made its first investment, the stock has developed strongly increasing over 60 per cent up to October. Mastercard is negatively affected by the closure of physical stores and the lack of cross border travel. At the same time, we believe that Mastercard is one of the most innovative major players in digital payments. This, together with the company's strong brand and global presence, should benefit Mastercard long term in the shift towards more e-commerce and less cash.

We used the turbulent October period to reduce the weighting of some of the fund's more defensive holdings in order to manage liquidity and allow for opportunities to invest in companies where we see excessive share price decreases in connection with the market downturn.

Sector allocation



#	Sector	% of the fund
1.	Information technology	65.8
2.	Communication services	22.9
3.	Consumer discretionary	7.2
4.	Financials	0.6
	Cash	3.6

10 largest holdings

Holding	% of the fund
Microsoft	9.1
Alphabet	7.1
Amazon.com	6.6
Apple	5.8
Salesforce.com	4.4
Adobe	3.6
Facebook	3.5
Sinch	3.4
MicroChip Technology	3.2
Palo Alto Networks	3.2
Total 10 largest holdings	49.9
Cash	3.6
Total number of holdings	34.0

Major changes during the month

Buy

-

Sell

Oracle

Cisco

IBM

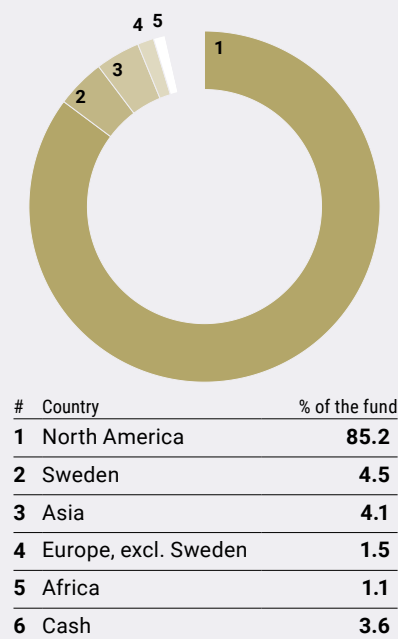
Risk and reward profile

Lower risk							Higher risk	
1	2	3	4	5	6	7		

Financial ratios

	Lannebo Teknik	Benchmark
Sharpe ratio	1.2	1.1
Total risk (%)	19.2	21.0
Tracking error	8.1	
Information ratio	-0.0	
Alpha	0.3	
Beta	0.8	
Portfolio turnover ratio (06/30/20)	0.2	

Geographical split



Fund facts

Fund manager	Johan Nilke & Helen Broman
Launch date	08/04/00
NAV per unit (SEK)	11.96
Fund size (SEKm)	6,535
Management fee (%)	1.6
Bankgiro	5563-4638
ISIN	SE0000740672
Trading frequency	Daily
Minimum investment amount	SEK 100
PPM number	771 030
Supervisory authority	Finansinspektionen
LEI	549300Y3UW5Y5DPJS002

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 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.



Lannebo Fonder AB
Postal address: Box 7854, 103 99 Stockholm
Visiting address: Kungsgatan 5



Phone: +46 (0)8-562 252 00
Customer serv: +46(0)8-562 252 22



E-mail: info@lannebo.se
Website: lannebo.com
Registration no: 556584-7042

LANNEBO