

Lannebo Sverige

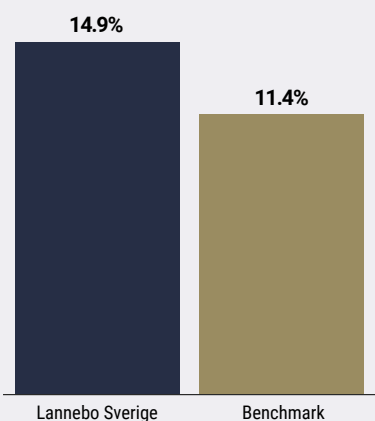
Swedish-registered equity fund

Monthly report November 2020

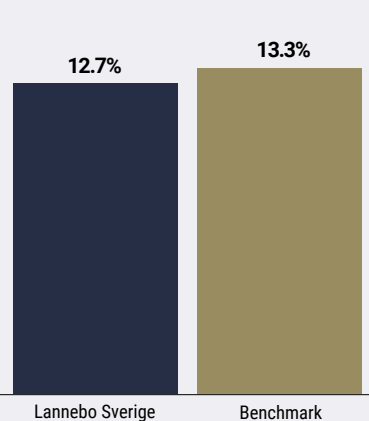
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

| | | | | | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------------|----------|
| 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



Martin Wallin & Robin Nestor

Performance

| Performance, % | Lannebo Sverige | Benchmark |
|---------------------------------|-----------------|-----------|
| November 2020 | 14.9 | 11.4 |
| Year-to-date 2020 | 12.7 | 13.3 |
| 3 years | 32.4 | 44.4 |
| 5 years | 56.1 | 68.4 |
| 10 years | 179.1 | 207.3 |
| Since launch (08/04/00) | 527.2 | 403.6 |
| Average annual return 24 months | 12.8 | 19.9 |
| 2019 ¹ | 21.9 | 35.0 |
| 2018 ¹ | -1.2 | -4.4 |
| 2017 ¹ | 7.4 | 9.5 |
| 2016 ¹ | 11.0 | 9.6 |
| 2015 ¹ | 13.0 | 10.5 |

¹ The performance is based on closing prices.

Probable mass vaccination in 2021

Market rotation discerned in November.

After a weak close to the stock market in October, the Stockholm Stock Exchange rose sharply in November to new highs with 13 positive trading days for the SIXPRX index. Even though the US election initially had a somewhat unclear outcome, there was a return in the willingness to take risks, and, as follows, capital to the market. Biden is now taking over the White House, while control of the Senate remains unclear with results delayed until January next year. If the Democrats win the two important Georgia Senate seats, the party will likely have 50 seats in total, which is equal in number to the Republican held seats. In the case of a Senate vote, the Vice President, Democrat Kamala Harris, has the swing vote, which increases the chances of also pushing through democratic policies in the Senate. Janet Yellen, former head of the US Federal Reserve and a stimulus advocate, is expected to head the Treasury department, which may mean continued economic support.

Positive COVID-19 vaccine announcements came in November with three companies - Pfizer, Moderna and AstraZeneca, among others - reporting an efficacy of at least 90 per cent with two vaccine doses. Production of the vaccines have started and two of the companies have applied for regulatory approvals. In the beginning of December, the UK also started vaccination with Pfizer's vaccine.

Monthly performance,%

| Jan | Feb | Mar | Apr | May | Jun |
|-----|------|-------|------|------|-----|
| 0.8 | -8.6 | -16.4 | 13.8 | 4.9 | 0.7 |
| Jul | Aug | Sep | Oct | Nov | Dec |
| 4.7 | 5.4 | 2.2 | -6.2 | 14.9 | |

With hopes of broader virus immunity in 2021, the outlook for the market fluctuated and capital shifted from companies benefiting from COVID-19 to previous pandemic losers. The US ten-year interest rate increased in November at the same time as oil prices went to higher levels.

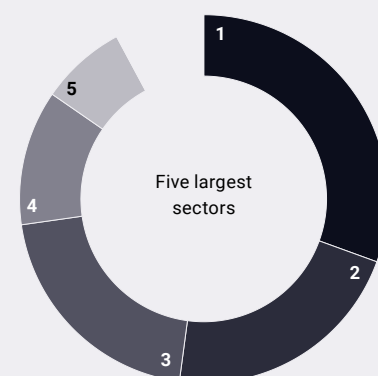
Electrolux Professional and H&M developed positively during the month, increasing 34 and 25 per cent, respectively. The kitchen and laundry equipment supplier Electrolux Professional, which has large exposures to hotels and restaurants, lost 23 per cent of sales by the end of September. The company has worked to adjust costs and streamline operations, which, despite limited sales growth, should be visible in the operating margin over the next two years.

H&M once again was forced to close stores due to the second wave of the pandemic, while market data shows continued weak in-store customer traffic. However, e-commerce continues to develop well and together with improved store inventory and more efficient internal processes, we maintain that the company is well on its way to an operating margin of over 10 per cent.

BillerudKorsnäs and Electrolux developed weaker than the market as a whole, with share price declines of 1 per cent and an increase of 3 per cent, respectively. BillerudKorsnäs, which during the year returned close to 30 per cent, had a moderate development over the period. During the year, operations were affected by weaker demand as a result of COVID-19, including in the industrial and trading segments. The company continues its quality and quantity improvement efforts on the carton board machine in Gruvön outside Karlstad. We expect good returns going forward on the recent investments.

Electrolux, which distributed the aforementioned professional products business on the same day as SIXPRX bottomed out on March 23, has recovered for each consecutive quarterly report released. After sharp declines in sales during Q1 and Q2 of 5 and 17 per cent, respectively, organic sales increased by 15 per cent in Q3. The company has had both tail- and head-winds due to the pandemic, but fundamentally we believe that the business is developing for the better. Substantial cost savings are expected in 2021 and 2022 given the new production capacity in the US that is up and running, which provides better quality and more profitable production.

Sector allocation



| # | Sector | % of the fund |
|----|------------------------|---------------|
| 1. | Industrials | 29.6 |
| 2. | Consumer discretionary | 20.9 |
| 3. | Financials | 20.0 |
| 4. | Information technology | 11.5 |
| 5. | Materials | 7.3 |
| 6. | Health care | 5.0 |
| 7. | Communication services | 2.6 |
| | Cash | 2.9 |

10 largest holdings

| Holding | % of the fund |
|----------------------------------|---------------|
| Ericsson B | 6.2 |
| Swedbank A | 6.0 |
| Nordea | 5.7 |
| H&M B | 5.5 |
| SEB A | 5.3 |
| Trelleborg B | 5.1 |
| Electrolux B | 4.8 |
| Volvo B | 4.7 |
| SKF B | 4.7 |
| Nokia SEK | 4.5 |
| Total 10 largest holdings | 52.5 |
| Cash | 2.9 |
| Total number of holdings | 30 |

Major changes during the month

Buy

Alfa Laval
Electrolux
SEB

Sell

SKF
Autoliv
Boliden

Risk and reward profile

| | | | | | | |
|------------|---|---|---|---|-------------|---|
| Lower risk | | | | | Higher risk | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Financial ratios

| | Lannebo Sverige | Benchmark |
|-------------------------------------|-----------------|-----------|
| Sharpe ratio | 0.6 | 1.0 |
| Total risk (%) | 24.4 | 20.1 |
| Tracking error | 6.8 | |
| Information ratio | -1.0 | |
| Alpha | -0.7 | |
| Beta | 1.2 | |
| Active share | 70 | |
| Portfolio turnover ratio (06/30/20) | 1.6 | |

Fund facts

| | |
|---------------------------|---|
| Fund manager | Martin Wallin & Robin Nestor |
| Launch date | 08/04/00 |
| NAV per unit (SEK) | 47.21 |
| Fund size (SEKm) | 2,893 |
| Management fee (%) | 1.6 |
| Bankgiro | 5563-4604 |
| ISIN | SE0000740680 |
| Trading frequency | Daily |
| Minimum investment amount | SEK 100 |
| PPM number | 806 869 |
| Supervisory authority | Finansinspektionen |
| LEI | 549300GJSC541WIWX079 |

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 take part in developments on the Swedish equity market.
- Want an actively managed fund with investments based on a clear understanding of each individual company.

The fund's investment policy

Lannebo Sverige is an actively managed equity fund that invests in shares on the Swedish equity market.

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.

