

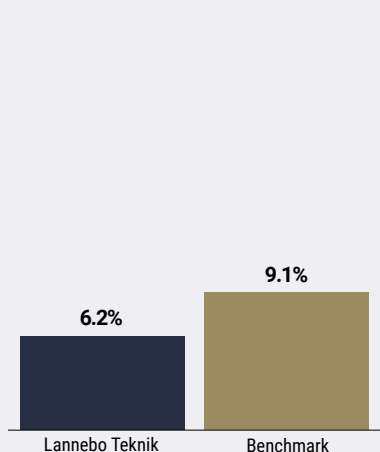
# Lannebo Teknik

Swedish-registered equity fund  
Monthly report November 2020

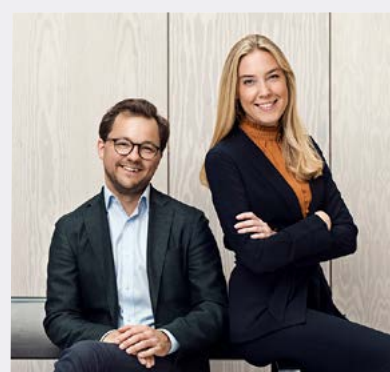
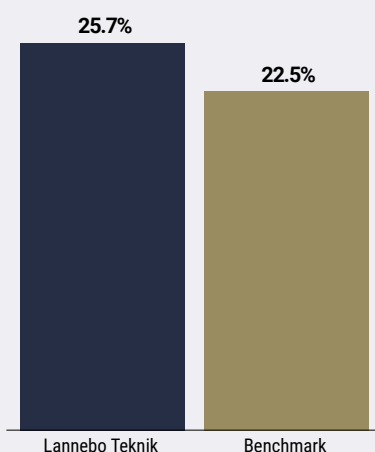
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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



## Performance YTD



Johan Nilke and Helen Broman

## Performance

Performance, %	Lannebo Teknik	Benchmark
November 2020	6.2	9.1
Year-to-date 2020	25.7	22.5
3 years	88.7	91.5
5 years	137.4	178.2
10 years	533.6	547.0
Since launch (08/04/00)	34.8	142.7
Average annual return 24 months	27.0	28.9
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.

## The storm clouds dissipated, but hacker attacks increased

US equities affected by a stronger Swedish krona.

We have lived with a number of storm clouds looming over us during the year. This included an uncertain US presidential election, which led many investors to take defensive positions that were then reversed in the days leading up to the election. Speculation over which candidate was best for some companies and bad for others was disregarded and the market reached new heights. The pandemic has also been hanging over us, which led to large rotations in the equity market. But even this shroud of uncertainty is about to dissipate as vaccines will be distributed to risk groups and the market considers the dangers to have blown over.

In all this macro noise, it feels good for us to be able to trust in our clear investment process, focused on technology-driven growth. If we have learned one thing it is that digitalization is here to stay - a vaccine of-sorts for companies' future competitiveness.

Further, the last of the quarterly reports were released during November and October's themes continued - that is to say that earnings were in most cases a positive surprise given costs for travel and marketing were lower due to the pandemic. On the other hand, sales growth was weaker or more uncertain. There

## 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	6.2	

was also substantial transactions activity during November in terms of IPO's, new issues and acquisitions. We were involved in several transaction processes and have spent a great deal of time in understanding business models and values.

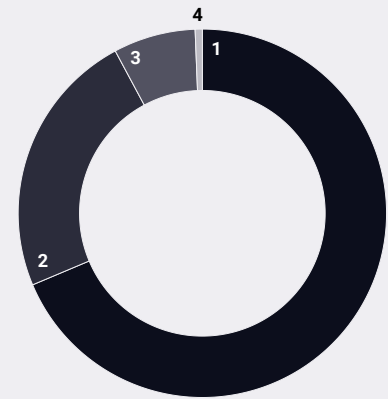
We also observed an increase in hacker attacks during the Corona pandemic. When listening to Sectra's CEO on this issue, he confirmed the situation is extreme. This risk increases when employees work from home, which criminals exploit. Data security is a focus theme for both of our technology funds, and one of the world's leading companies in data security, Palo Alto Networks, was the fund's most significant positive contributor to performance in November. The company's quarterly earnings report beat expectations and, at the same time, the company raised its forecast. Palo Alto Networks continues to invest in new products both organically and through acquisitions. We have a positive view of the company's platform strategy, where they can add acquired products for existing customers.

The US dollar weakened during the month against the Swedish krona by almost 4 per cent. Given the lion's share of the fund is invested in companies listed in dollars, performance was correspondingly negatively affected. At the same time, we now see that global American companies are advantaged by cheaper products, while the shares get a dollar discount.

During November we also saw a rotation out of gaming companies, which had benefited from more people at home. Several of the portfolio's gaming companies were negatively impacted by the positive vaccine news. Japanese gaming companies Nintendo and Square Enix made the largest negative contributions. Nintendo's report came in better than expected, however, the launch of new consoles by competitors' may have negatively affected the share. Sony's Play Station 5 and Xbox X were launched in November and may grab attention away from the Nintendo Switch. Square Enix's quarterly report was worse than expected, mainly due to lower than expected sales for the Avengers game. The company also previously announced that game development has suffered due to Corona.

We continued to take advantage of the turbulent markets in November to reduce the weighting of some of the portfolio's more defensive holdings. In line with this, we further increased our investment in Mastercard, which has struggled during the pandemic but that will, otherwise, benefit from a vaccine.

## Sector allocation



#	Sector	% of the fund
1.	Information technology	65.7
2.	Communication services	22.5
3.	Consumer discretionary	6.9
4.	Financials	0.6
	Cash	4.4

## 10 largest holdings

Holding	% of the fund
Microsoft	8.6
Alphabet	7.0
Amazon.com	6.2
Apple	5.7
Salesforce.com	4.2
Palo Alto Networks	3.8
Sinch	3.7
MicroChip Technology	3.7
Adobe	3.5
Facebook	3.3
<b>Total 10 largest holdings</b>	<b>49.6</b>
Cash	4.4
Total number of holdings	34

## Major changes during the month

### Buy

Activision Blizzard  
Mastercard

### Sell

Cisco  
Intel  
Amdocs

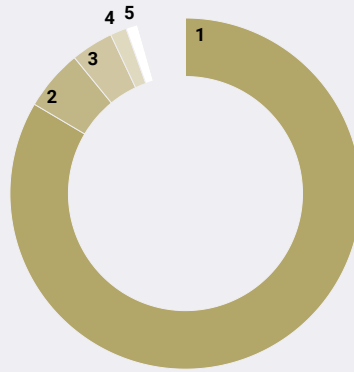
## Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

## Financial ratios

	Lannebo Teknik	Benchmark
Sharpe ratio	1.4	1.3
Total risk (%)	19.3	21.5
Tracking error	8.3	
Information ratio	-0.2	
Alpha	0.2	
Beta	0.8	
Portfolio turnover ratio (06/30/20)	0.2	

## Geographical split



#	Country	% of the fund
1	North America	83.5
2	Sweden	5.6
3	Asia	3.9
4	Europe. excl. Sweden	1.5
5	Africa	1.1
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>12.70</b>
Fund size (SEKm)	<b>6,912</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>Finansinspektionen</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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