

# Lannebo Corporate Bond

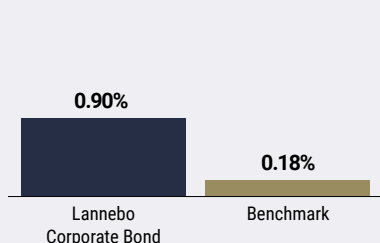
Swedish-registered fixed income fund, SEK

Monthly report November 2020

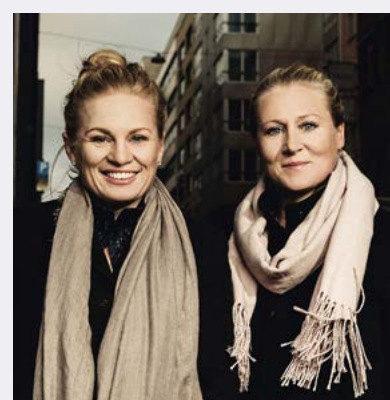
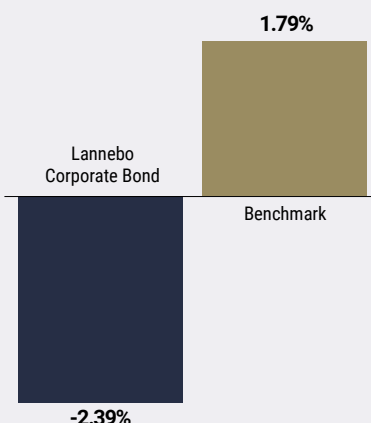
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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

## Monthly performance



## Performance year-to-date



**Katarina Ponsbach Carlsson and Karin Haraldsson**

## Performance

| Performance (%)                 | Lannebo Corporate Bond | Benchmark <sup>1</sup> |
|---------------------------------|------------------------|------------------------|
| November 2020                   | 0.9                    | 0.2                    |
| Year-to-date 2020               | -2.4                   | 1.8                    |
| 3 years                         | 0.8                    | 3.0                    |
| 5 years                         | 7.7                    | 7.0                    |
| Since launch (09/10/12)         | 18.2                   | 20.4                   |
| Average annual return 24 months | 0.3                    | 1.5                    |
| 2019 <sup>2</sup>               | 3.6                    | 1.4                    |
| 2018 <sup>2</sup>               | -0.3                   | 0.0                    |
| 2017 <sup>2</sup>               | 3.4                    | 1.3                    |
| 2016 <sup>2</sup>               | 3.7                    | 3.0                    |
| 2015 <sup>2</sup>               | 1.0                    | 0.4                    |

<sup>1</sup> Before 06/01/20 the benchmark of the fund was Nasdaq OMX Credit SEK TR Index.

<sup>2</sup> The performance is based on closing prices.

## Strong end to the month

Länsförsäkringar Bank a new holding.

The period began in a cloud of increasing corona induced market-turmoil and ambiguities surrounding the US presidential election. However, positive news from Pfizer regarding their Covid-19 vaccine led to a return in the market's risk appetite. The Nordic primary market for corporate bonds ramped up during the month followed by the release of Q3 earnings. Most earnings reports have either been in line with - or beat - expectations.

So what do central banks do when they anticipate a return to a more normal global economy over the course of next year? One might think they would signal a normalization of monetary policy. However, instead, they continue to emphasize downward risks to inflation and the economy and, as such, it is more likely we will see extended stimulus as opposed to a roll back. The Riksbank announced during the month that it was expanding its framework for support purchases of securities to SEK 700 billion. On 14 September, the Riksbank began its purchases of corporate bonds. Volumes have so far been limited to about SEK 150 million per week. Although it is positive the Riksbank has its mandate in place, volumes have so far been relatively small, and we can assume the Riksbank will increase purchases should market uncertainty once again increase.

## Monthly performance %

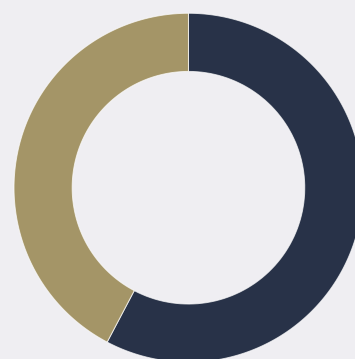
| Jan | Feb  | Mar   | Apr  | May | Jun |
|-----|------|-------|------|-----|-----|
| 0.5 | -0.3 | -11.2 | 3.7  | 1.3 | 2.2 |
| Jul | Aug  | Sep   | Oct  | Nov | Dec |
| 0.5 | 0.7  | 0.2   | -0.2 | 0.9 |     |

During the month, we invested in Swedish Länsförsäkringar Bank's new issue, which was a so-called AT1 bond. It is a subordinated bond issued to strengthen the bank's capital structure. Länsförsäkringar Bank can redeem the bond after five years and has a coupon of 3 months STIBOR + 3.20 per cent.

During the period, we maintained the fund's structure. 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 approximately 3.0 per cent before fees, assuming an unchanged interest rate.

## Credit rating distribution



|                         | Credit scoring securities | % of the fund |
|-------------------------|---------------------------|---------------|
| <b>Investment grade</b> | AAA                       | 0.0           |
|                         | AA+/AA/AA-                | 0.0           |
|                         | A+/A/A-                   | 1.6           |
|                         | BBB+/BBB/BBB-             | 47.2          |
| <b>High yield</b>       | BB+/BB/BB-                | 35.8          |
|                         | B+/B/B-                   | 0.0           |
|                         | CCC/CC/C                  | 0.0           |
| <b>Default</b>          | D                         | 0.0           |
| Cash/other              |                           | 15.4          |

The share of the portfolio's fixed income securities without an official credit rating amounted to 53.1 %, and internal credit ratings have been used for these.

## 10 largest holdings

| Holding                         | % of the fund |
|---------------------------------|---------------|
| Velliv                          | 4.0           |
| DNB Bank                        | 3.3           |
| Intrum                          | 3.2           |
| Tryg Forsikring A/S             | 3.1           |
| Balder                          | 3.1           |
| Småkraft                        | 3.0           |
| Color Group                     | 2.9           |
| Cibus Nordic Real Estate        | 2.6           |
| Cargotec                        | 2.5           |
| DFDS                            | 2.5           |
| <b>Total 10 largest issuers</b> | <b>30.2</b>   |
| Cash                            | 15.4          |
| Total number of issuers         | 44            |

## Major changes during the month

Buy

Landshypotek

Sell

Nordax

Volvo Cars

## Risk and reward profile

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

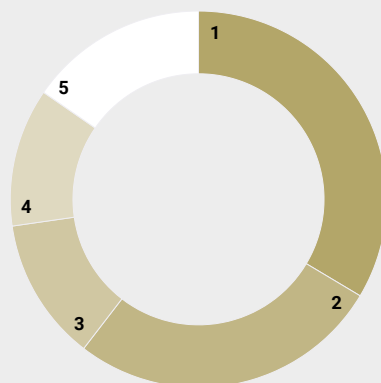
## Financial ratios

|                                     | Lannebo Corporate Bond | Benchmark |
|-------------------------------------|------------------------|-----------|
| Total risk (%)                      | 8.8                    | 2.1       |
| Interest-rate duration (years)      | 0.9                    |           |
| Credit duration (years)             | 3.0                    |           |
| Portfolio turnover ratio (06/30/20) | 0.5                    |           |

## Maturity profile

|           | % of the fund |
|-----------|---------------|
| < 1 year  | 16            |
| 1-3 years | 31            |
| 3-5 years | 49            |
| > 5 years | 4             |

## Country allocation



| # | Country | % of the fund |
|---|---------|---------------|
| 1 | Sweden  | 33.6          |
| 2 | Norway  | 26.9          |
| 3 | Finland | 12.3          |
| 4 | Denmark | 11.9          |
| 5 | Cash    | 15.4          |

## Fund facts

|                           |  |
|---------------------------|--|
| Fund manager              | <b>Karin Haraldsson &amp; Katarina Ponsbach Carlsson</b> |
| Launch date               | <b>09/10/12</b>  |
| NAV per unit (SEK)        | <b>118.17</b>  |
| Fund size (SEKm)          | <b>1,254</b>   |
| Management fee            | <b>0.90%</b>   |
| Bankgiro                  | <b>303-5318</b>  |
| ISIN                      | <b>SE0004750396</b>                                      |
| Trading frequency         | <b>Daily</b>   |
| Minimum investment amount | <b>SEK 100</b>   |
| Supervisory authority     | <b>Finansinspektionen</b>                                |
| LEI                       | <b>5493006FC1DHI1YJE467</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 but at a lower risk than equity funds.
- Want exposure to corporate bonds with low to medium risk.
- Want an actively managed fund where a thorough company analysis creates long-term returns.

## The fund's investment policy

Lannebo Corporate Bond is an actively managed long-term fixed income fund that mainly invests in Swedish but also other Nordic corporate bonds. The credit duration of the fund is normally 3-5 years. Lannebo Corporate Bond may invest more than 35 per cent of the fund's assets in bonds and other debt instruments issued or guaranteed by a Nordic state or municipality.

## Explanations

### Benchmark

Solactive SEK IG Credit Index.

### Interest-rate duration

Weighted average life.

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

### Total risk

Given as the standard deviation of variations in the total return of the fund or index.

### Credit duration

Weighted average maturity.



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