

# Lannebo High Yield

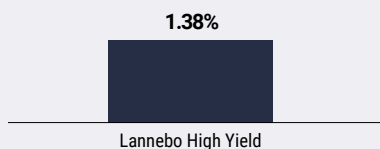
Swedish-registered fixed income fund

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
----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	-----------------	----------

## Monthly performance



## Performance year-to-date



**Katarina Ponsbach Carlsson & Karin Haraldsson**

## Performance

Performance (%)	Lannebo High Yield
November 2020	1.4
Year-to-date 2020	-4.7
3 years	1.1
5 years	11.7
Since launch (01/30/15)	14.4
Average annual return 24 months	-0.2
2019 <sup>1</sup>	5.0
2018 <sup>1</sup>	1.0
2017 <sup>1</sup>	5.1
2016 <sup>1</sup>	5.6
2015 <sup>1</sup>	2.0 <sup>2</sup>

<sup>1</sup> The performance is based on closing prices.

<sup>2</sup> Refers to the period 01/30/15-12/31/15.

## Vaccine hope turns the market

Holding in SAS divested.

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.

During the period we invested in the real estate company Trianon's sustainable hybrid bond. Trianon for the most part owns residential properties in and around Malmö. The company has a strong focus on social issues and in 2019 the company issued a sustainable bond - the first sustainable corporate bond in Sweden. There are clear goals established in connection with the bond, including investing in the properties for better energy efficiency, as well as efforts to increase employment in socially vulnerable areas, for example by providing summer jobs.

The last step in the SAS recapitalization was completed during the period. We received shares in exchange for our hybrid bonds, which we divested during the month. We returned 105.5 per cent of our

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
0.6	-0.3	-16.5	3.8	1.9	2.8
Jul	Aug	Sep	Oct	Nov	Dec
0.8	1.7	0.7	-0.0	1.4	

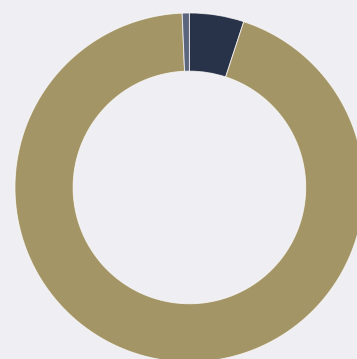
nominal amount, which we assess to be a very good outcome. The fund now has no exposure to SAS.

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.

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. We maintain a low interest rate duration in order to protect the fund against rising interest rates.

The rate of return is currently approximately 6.0 per cent before fees, assuming an unchanged interest rate.

## Credit rating distribution



Investment grade	Credit scoring securities	% of the fund
	AAA	0.0
	AA+/AA/AA-	0.0
	A+/A/A-	0.0
	BBB+/BBB/BBB-	4.6
High yield	BB+/BB/BB-	35.3
	B+/B/B-	50.3
	CCC/CC/C	0.0
Default	D	0.6
Cash/other		9.2

The share of the portfolio's fixed income securities without an official credit rating amounted to 71.6 %, and internal credit ratings have been used for these.

## 10 largest holdings

Holding	% of the fund
Intrum	3.8
Color Group	3.7
SEB	2.7
Bewisynbra Group	2.6
Ocean Yield	2.5
Teekay LNG Partners	2.5
Bergkvist-Siljan	2.3
Jyske Bank	2.2
SFL Corporation	2.2
Jacob Holm & Sonner	2.2
<b>Total 10 largest issuers</b>	<b>26.7</b>
Cash	9.2
Total number of issuers	48

## Major changes during the month

Buy

Trianon

Sell

SAS

## Risk and reward profile



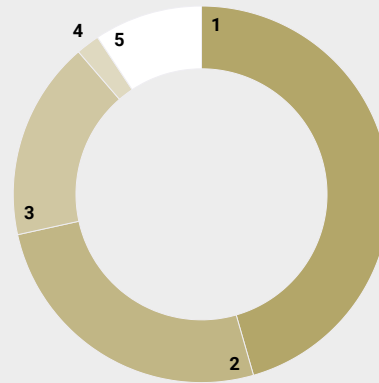
## Financial ratios

	Lannebo High Yield
Total risk (%)	12.7
Interest-rate duration (years)	0.5
Credit duration (years)	2.4
Portfolio turnover ratio (06/30/20)	0.5

## Maturity profile

	% of the fund
< 1 year	17
1-3 years	49
3-5 years	34
> 5 years	0

## Country allocation



#	Country	% of the fund
1	Sweden	45.0
2	Norway	25.7
3	Denmark	16.9
4	Germany	2.0
5	Finland	1.2

## Fund facts

Fund manager	<b>Karin Haraldsson &amp; Katarina Ponsbach Carlsson</b>
Launch date	<b>01/30/15</b>
NAV per unit (SEK)	<b>114.42</b>
Fund size (SEKm)	<b>933</b>
Management fee	<b>0.90%</b>
Bankgiro	<b>584-9369</b>
ISIN	<b>SE0006421855</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>549300XRFDNRDKE3IM10</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 and who are willing to take on a slightly higher risk.
- Want an actively managed fund where a thorough company analysis creates long-term returns.
- Want a well-diversified fund of corporate bonds.

## The fund's investment policy

Lannebo High Yield is an actively managed fixed income fund that primarily invests in High Yield corporate bonds predominantly from issuers in the Nordic region. High Yield bonds are securities issued by companies with a lower credit rating. The average maturity of the fund's holdings is 3-5 years, but may at times deviate from this range. Investments in foreign currency are always hedged.

## Explanations

**Total risk** Given as the standard deviation of variations in the total return of the fund.

**Interest-rate duration** Weighted average life.

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

### Credit duration

Weighted average maturity.



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](mailto:info@lannebo.se)  
Website: [lannebo.com](http://lannebo.com)  
Registration no: 556584-7042

**LANNEBO**