

LANNEBO

Lannebo High Yield

Swedish-registered fixed income fund

Monthly report December 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
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Monthly performance



Performance year-to-date

Lannebo High Yield

-3.81%

Strong finish to the year

Link Mobility a new holding.

The market's positive tone continued during December. News regarding the approval and roll-out of several Covid-19 vaccines sent the corporate bond market higher. The primary market was active at the beginning of the month, but then took a Christmas break.

We participated in Norwegian Link Mobility, Desenio and Alm Equity's new issues. Norwegian Link Mobility provides communication and messaging services and is in some areas a competitor to Swedish Sinch, which is also a current holding. Link issued a bond with a five-year maturity at an interest rate of 3.375 per cent.

Swedish Desenio is a market-leading e-commerce company within "affordable art prints", posters and frames, which is an industry that has seen strong growth in recent years. The company issued a bond with a coupon of 5.5 per cent to finance the acquisition of a competitor, Poster Store.

Alm Equity, a Swedish property developer, is a previous holding. In December, the company issued a bond with a 4.5-year maturity at



Katarina Ponsbach Carlsson & Karin Haraldsson

Performance

Performance (%)	Lannebo High Yield
December 2020	1.0
Year-to-date 2020	-3.8
3 years	2.1
5 years	13.1
Since launch (01/30/15)	15.5
Average annual return 24 months	0.5
2019 ¹	5.0
2018 ¹	1.0
2017 ¹	5.1
2016 ¹	5.6
2015 ¹	2.0 ²

¹ The performance is based on closing prices.

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

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	1.0

7.15 per cent interest.

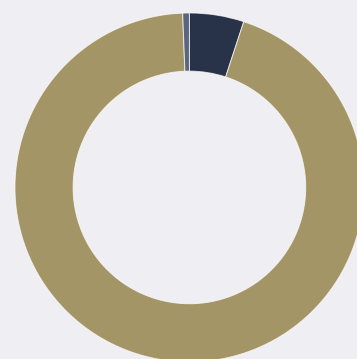
We reduced our holdings in Landshypotek, Jyske Bank, Corem and Strömme, among others. Danish DSV Miljø redeemed its bonds that were maturing in May 2021, prematurely during the month.

The Riksbank began its purchases of corporate bonds on September 14, 2020. It is positive that the Riksbank has its mandate in place, but volumes have thus far been relatively small and amounted to approximately SEK 150 million per week. The Riksbank announced in November that they would maintain the repo rate unchanged at zero per cent and that they would increase the framework for support purchases of securities from SEK 500 billion to SEK 700 billion. We consider it likely the Riksbank will increase its security purchases should the market become turbulent.

We maintained the same structure for the fund as previously. 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 have a low interest rate duration to protect the fund against rising interest rates.

The rate of return is currently approximately 5.5 per cent before fees, provided interest rates remain unchanged.

Credit rating distribution



	Credit scoring securities	% of the fund
Investment grade	AAA	0.0
	AA+/AA/AA-	0
	A+/A/A-	0.0
	BBB+/BBB/BBB-	4.5
High yield	BB+/BB/BB-	34.6
	B+/B/B-	49.8
	CCC/CC/C	0.0
Default	D	0.5
Cash/other		10.6

The share of the portfolio's fixed income securities with an official credit rating amounted to 30.5 per cent.

10 largest holdings

Holding	% of the fund
Intrum	3.9
Color Group	3.6
Bewisynbra Group	2.7
SEB	2.6
Teekay LNG Partners	2.5
Ocean Yield	2.3
SFL Corporation	2.3
Slättö Fastpartner Spånga	2.3
Sanolium	2.2
Jacob Holm & Sonner	2.2
Total 10 largest issuers	26.6
Cash	10.6
Total number of issuers	48

Major changes during the month

Buy

Link Mobility
Desenio
Alm Equity

Sell

Landshypotek
Jyske Bank
Corem

Risk and reward profile

Lower risk							Higher risk
1	2	3	4	5	6	7	

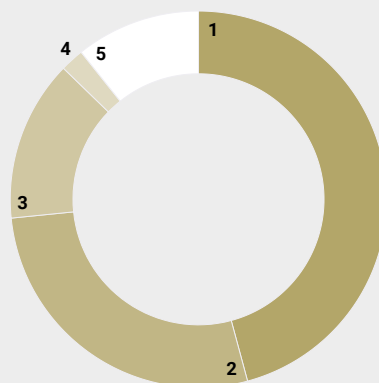
Financial ratios

	Lannebo High Yield
Total risk (%)	12.7
Interest-rate duration (years)	0.6
Credit duration (years)	2.6
Portfolio turnover ratio (12/31/20)	0.6

Maturity profile

	% of the fund
< 1 year	17
1-3 years	46
3-5 years	37
> 5 years	1

Country allocation



#	Country	% of the fund
1	Sweden	45.3
2	Norway	27.3
3	Denmark	13.7
4	Germany	2.0
5	Finland	1.2
6	Cash	10.6

Fund facts

Fund manager	Karin Haraldsson & Katarina Ponsbach Carlsson
Launch date	01/30/15
NAV per unit (SEK)	115.52
Fund size (SEKm)	914
Management fee	0.90%
Bankgiro	584-9369
ISIN	SE0006421855
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300XRFONRDKE3IM10

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 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.



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