

Lannebo Teknik

Swedish-registered equity fund

Monthly report December 2020

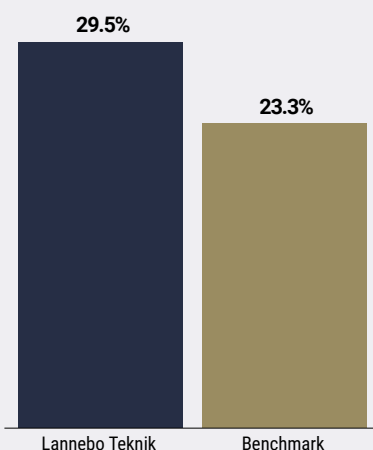
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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 YTD



A positive end to a strong but unusual stock market year

Sinch - holding of the month and for the year.

We close 2020 - an abnormal year - with a month that saw technology-driven growth companies perform strongly. At the same time, market volatility was high during the month, due primarily to two events, where both originated in the UK. First, a mutation of the coronavirus was discovered in the south-east of England, which was found to spread much more easily than previous versions of the virus. The mutation was then discovered in several other countries and there was concern that vaccines and antibodies would not help against the new variation. Another bleak cloud was the long-drawn-out Brexit negotiation, which with only days left until the deadline, January 1, looked set to fail again. The agreement, which will govern trade and other cooperative arrangements, eventually became clear and a hard Brexit was avoided. COVID-19 vaccinations also continued during the month, which gave the market extra momentum once concerns had subsided.

Technology companies developed strongly during December, where transaction activity was high on the other side of the Atlantic and we saw a number of large IPOs. Among others, the largest US IPO so far this year was carried out by Airbnb, which raised \$ 3.7 billion in connection with the listing. The share increased over 100 per



Johan Nilke and Helen Broman

Performance

Performance, %	Lannebo Teknik	Benchmark
December 2020	3.0	0.6
Year-to-date 2020	29.5	23.3
3 years	94.1	97.2
5 years	148.7	194.3
10 years	534.1	540.0
Since launch (08/04/00)	38.8	144.2
Average annual return 24 months	34.2	36.3
2019 ¹	40.6	50.8
2018 ¹	7.3	6.1
2017 ¹	16.3	24.2
2016 ¹	10.7	20.2
2015 ¹	29.9	14

¹ The performance is based on closing prices.

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	3.0

cent on the first day of trading. Other major IPO's were food delivery company DoorDash and the AI pharmaceutical company AbCellera, which increased by 80 and 260 per cent respectively on their first day of trading. We continue to evaluate most IPO processes, but maintain our focus on valuation where companies must have a clear path to profitability. Therefore, we have been somewhat cautious when it comes to IPOs and have only participated in a few. During the Autumn we also witnessed intense and high transaction activity in the Nordic region, some with high values. Our view is that stock-picking and an understanding of which quality companies will actually benefit long-term from digitalization will be even more important in 2021.

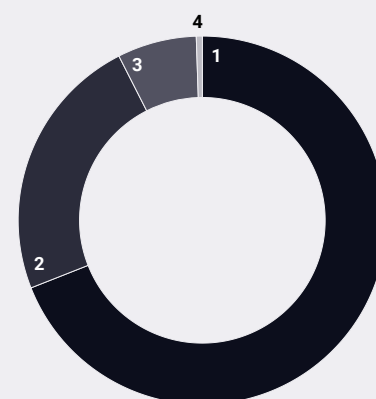
Swedish Sinch was the best performing holding in December, as well as for 2020 as a whole. The fund started investing in Sinch in 2018, then CLX, when few understood the company's business. We had followed the company since prior to its listing in 2015 and have a strong belief in the business model and its major owners and founders - but we could not have dreamed that it would be this positive. Sinch continued its growth journey both organically and through acquisitions, and in December Softbank became a new major owner in connection with a new issue. This, together with an approval by the competition authorities for an acquisition, lifted the share price to a new high level. We participated in the issue, as we have done in all of Sinch's previous issues.

Digital security continues to be in focus as cyberattacks increase and become more advanced. During December, one of the biggest cyberattacks of our time against American companies and government authorities occurred. The so-called Solarwinds attack even prompted incumbent President-elect Biden to demand a modernization of US cyber-security. This benefited two of the fund's main contributors to performance in December - security companies Palo Alto Networks and Fireeye, whose shares were up 21 and 53 per cent respectively. Digital security will be one of the fund's most important themes for 2021, not least as the pandemic has forced companies and individuals to build digital infrastructures that are more complex, requiring modern digital security solutions.

The largest negative contributor to performance was Salesforce, which continued to decline following the announcement of the acquisition of Slack. Investors believe Salesforce is paying too much for a company that also erodes Salesforce's profit margin. As a result, sentiment around the share has shifted from very positive to negative. We have carefully assessed the company's plans regarding the acquisition and our viewpoint is not as negative, and instead, we consider the weak share price as an opportunity to increase our holding.

We reduced our holding in Intel during the year, and in December we divested the remaining few shares due to company-specific challenges. Intel announced earlier this year a delay in the rollout of 7nm processors, which means that competitors have gained market share. Our assessment is that it will be challenging and take some time for the company to catch up with the competition. The fund has exposure to competitors who we believe are better positioned to develop positively both short- and long-term. We also chose to take home some profits at Walt Disney after a strong share price development. Optimism over the virus and a surprisingly positive company forecast for Disney + led the share price to increase.

Sector allocation



#	Sector	% of the fund
1.	Information technology	65.5
2.	Communication services	22.3
3.	Consumer discretionary	6.6
4.	Financials	0.5
	Cash	5.0

10 largest holdings

Holding	% of the fund
Microsoft	8.6
Alphabet	6.5
Amazon.com	6.0
Apple	5.9
Sinch	4.6
Palo Alto Networks	4.3
Salesforce.com	3.9
MicroChip Technology	3.5
Adobe	3.4
Intuit	3.1
Total 10 largest holdings	50.0
Cash	5.0
Total number of holdings	32

Major changes during the month

Buy

Salesforce

Microsoft

Sinch

Sell

Walt Disney

Intel

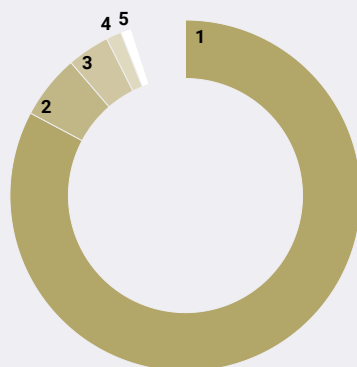
Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

Financial ratios

	Lannebo Teknik	Benchmark
Sharpe ratio	1.8	1.7
Total risk (%)	17.8	19.5
Tracking error	8.3	
Information ratio	-0.3	
Alpha	0.3	
Beta	0.8	
Portfolio turnover ratio (12/31/20)	0.2	

Geographical split



#	Country	% of the fund
1	North America	82.7
2	Sweden	5.9
3	Asia	3.9
4	Europe, excl. Sweden	1.4
5	Africa	1.0
6	Cash	5.0

Fund facts

Fund manager	Johan Nilke & Helen Broman
Launch date	08/04/00
NAV per unit (SEK)	13.08
Fund size (SEKm)	7,157
Management fee (%)	1.6
Bankgiro	5563-4638
ISIN	SE0000740672
Trading frequency	Daily
Minimum investment amount	SEK 100
PPM number	771 030
Supervisory authority	Finans- inspektionen
LEI	549300Y3UW5Y5DPJS002

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 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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