

Lannebo Småbolag

Swedish-registered equity fund, EUR

Monthly report January 2021

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 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021
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Monthly performance

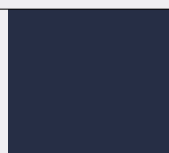
Lannebo Småbolag



-1.9%

Performance YTD

Lannebo Småbolag



-1.9%



Johan Ståhl & Hjalmar Ek

Performance

Performance. %	Lannebo Småbolag
January 2021	-1.9
Year-to-date 2021	-1.9
3 years	52.8
5 years ¹	96.0
10 years ¹	274.0
Since launch (08/04/00) ¹	1,396.9
Average annual return 24 months	25.3
2020 ²	22.6
2019 ²	36.3
2018 ²	-4.8
2017 ²	9.8
2016 ²	5.1

¹ Performance of the fund before start of the asset class (05/02/16) is simulated from the SEK-asset class.

² The performance is based on closing prices.

Cautious start to the year

Bids for Tikkurila and Recipharm raised.

The month was characterized by a sense of cautiousness, which seems reasonable given the strong close to the stock market last year. A contributing factor was growing concern over virus mutations as several vaccines appeared to be less effective against these new variants. However, the key word in this context is "less" - so far there is no known virus mutation where a vaccine is not effective. The appointment of Joe Biden as the US President was another important event during the month, which increased investor focus on renewable energy companies, among others, as those are considered to benefit from his political agenda. During the latter part of the month, the market's focus shifted to the release of quarterly earnings.

PPG, the American paint company, raised its bid for Finnish Tikkurila to EUR 27.75 per share, from the previous EUR 25. Subsequently, Dutch Akzo Nobel entered the bidding war with an offer of EUR 31.25 per share. The price is attractive, and the shares now trade above the bid price in hopes of further bid increases; we chose to divest all shares. The Tikkurila share price increased about 30 per cent during the month. The Recipharm bid was also increased, where EQT raised its bid from SEK 220 to SEK 232 per share.

Monthly performance, %

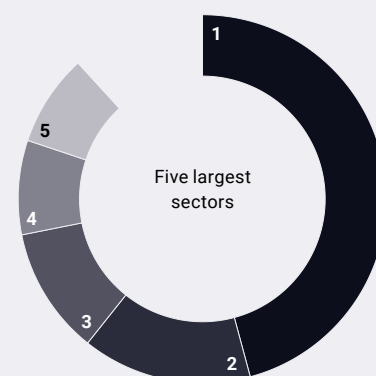
Jan	Feb	Mar	Apr	May	Jun
-1.9					
Jul	Aug	Sep	Oct	Nov	Dec

The Recipharm share price rose about 5 per cent during January.

Several holdings released their Q4 earnings during the month. Housing developer Bonava first announced a reverse profit warning, which pleased the market, and then in conjunction with the release of its earnings report, the company also disclosed a high number of housing starts. The Bonava shares increased 13 per cent. Construction company NCC - which in 2016 distributed Bonava to shareholders - released an earnings report that contained improved margins in several important business areas. However, a somewhat weaker development for sales and order intake led to a cool reception of the earnings release. The share price fell 7 per cent. We view it as natural that order intake varies given NCC is focused on more profitable contracts. Rubber company Hexpol reported high profitability and strong cash flow. Hexpol's end markets are gradually improving and given the company's strong balance sheet, we see it as likely that they will make acquisitions when and as opportunities arise. The share price increased 4 per cent.

In connection with the market turbulence, the holdings in ALK-Abelló, Nordnet and Alimak were increased as we are positive to the respective companies' long-term capacities in delivering profitable growth. ALK-Abelló will present an updated strategy in connection with its Q4 earnings as the current growth strategy for the sale of tablets and the creation of a robust platform for future growth is coming to its end. The holdings in BillerudKorsnäs and Castellum were marginally reduced.

Sector allocation



#	Sector	% of the fund
1.	Industrials	44.3
2.	Health care	14.4
3.	Consumer discretionary	10.8
4.	Materials	8.0
5.	Real estate	7.8
6.	Information technology	4.7
7.	Communication services	4.0
8.	Financials	2.7
	Cash	3.3

10 largest holdings

Holding	% of the fund
Trelleborg B	5.2
Securitas B	4.9
Nolato B	4.6
Addtech B	4.4
Huhtamäki	3.9
Castellum	3.4
Lindab	3.2
Husqvarna	3.2
Bravida	3.1
Hexpol B	3.0
Total 10 largest holdings	38.9
Cash	3.3
Total number of holdings	54

Major changes during the month

Buy

ALK-Abelló
Nordnet
Alimak Group

Sell

Tikkurila
BillerudKorsnäs
Castellum

Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

Financial ratios¹

	Lannebo Småbolag	Benchmark
Sharpe ratio	1.0	1.1
Total risk (%)	28.7	25.1
Tracking error	6.1	
Information ratio	-0.4	
Alpha	-0.4	
Beta	1.1	
Active share (%)	65	
Portfolio turnover ratio (12/31/20)	0.3	

¹ Financial ratios of the fund before start of the asset class (05/02/16) is simulated from the SEK-asset class.

Fund facts

Fund manager	Johan Ståhl & Hjalmar Ek
Launch date	08/04/00
NAV per unit (EUR)	183.90
Fund size (EURm)	3,061
Management fee (%)	1.6
Bankgiro	5563-4620
ISIN	SE0008040885
Trading frequency	Daily
Minimum investment amount	EUR 100
Supervisory authority	Finansinspektionen
LEI	549300JC5787N3394631

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 to invest in small and medium-sized companies listed on the Swedish and other Nordic stock markets.
- Want an actively managed fund with investments based on a clear understanding of each individual company.

The fund's investment policy

Lannebo Småbolag is an actively managed equity fund that invests in small and medium sized enterprises listed in the Nordic region, primarily in Sweden. The fund invests in companies with a market capitalisation amounting to a maximum of 1 per cent of the total Swedish market capitalisation. At the end of the year 2020, this meant a market capitalisation of around EUR 8.8 billion.

Explanations

Benchmark Carnegie Small Cap Sweden Return Index. 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 active risk in a fund. 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.

Active share A measure of the proportion of the portfolio that differ from the benchmark.

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



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