

# Lannebo Teknik

Swedish-registered equity fund

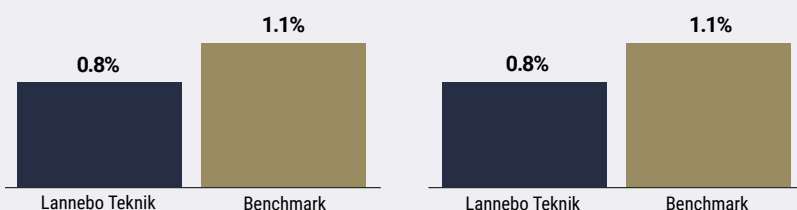
Monthly report January 2021

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.

<b>Jan 2021</b>	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

## Performance YTD



Johan Nilke and Helen Broman

## Performance

Performance, %	Lannebo Teknik	Benchmark
January 2021	0.8	1.1
Year-to-date 2021	0.8	1.1
3 years	88.0	90.6
5 years	169.0	211.6
10 years	538.9	545.6
Since launch (08/04/00)	39.9	146.9
Average annual return 24 months	29.6	32.1
2020 <sup>1</sup>	29.5	23.0
2019 <sup>1</sup>	40.6	50.8
2018 <sup>1</sup>	7.3	6.1
2017 <sup>1</sup>	16.3	24.2
2016 <sup>1</sup>	10.7	20.2

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

## Turbulent start for the stock market

Reddit in showdown against Wallstreet.

We thought we had left an unusual year behind us – moving on to a year where market conditions would be more stable with an increased focus on fundamental valuations and stock selection. However, we were quickly contradicted when the Capitol in Washington was stormed by disappointed Trump supporters, leading to market turbulence. The market stabilized, however, once Trump finally conceded defeat and handed over power.

The market calmness did not last very long though. By the end of January, we witnessed large groups of private investors, via the Reddit forum and the Robin Hood trading platform, drive up the value of shares shorted by larger hedge funds. The phenomenon spread globally - including to Sweden - to shares with a high proportion of short-sales. We also saw during January highly valued shares, primarily focused on new energy forms, continue to increase. These events are a clear sign that we are undergoing a liquidity-driven equity market that is not based on fundamental analysis.

At the same time, Corona-pandemic reporting has been mixed. Vaccinations continue, but uncertainties regarding vaccine deliveries have created some turbulence, particularly within the EU. Several countries have also re-introduced stricter restrictions,

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
0.8					
Jul	Aug	Sep	Oct	Nov	Dec

leading to concerns over whether the economic recovery will come later than expected.

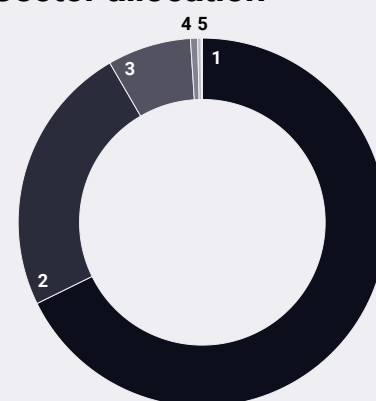
Earnings season kicked-off in January with generally positive surprises among the technology-driven companies in terms of profits. We also saw continued strong demand lead by accelerating digitalisation. However, indications from several companies are that it is difficult to provide a clear forecast for the coming quarters. Despite companies largely beating expectations during the quarter, the forecast-uncertainties resulted in mixed share price reactions.

The fund's largest holding, Microsoft, released better than expected quarterly earnings results. The share was strong prior to the earnings release but fell slightly the days following the release. Microsoft was nevertheless the fund's most positive contributor to performance and the share was up 6 per cent in January. Microsoft's earnings report disclosed strong growth for most business areas, but the 50 per cent growth for cloud services Azure was especially highlighted. The company is well positioned within the digital transformation that companies are undergoing. We sold a portion of the holding in light of the fact the development in the Microsoft share has been so strong that the weighting in the fund risks becoming too large.

Advanced Micro Devices also published a strong quarterly report in which the company highlighted strong demand for its chips; the company raised its 2021 forecast. However, this was not enough for the share price to increase, but, instead, the share price fell by 6 per cent on the day earnings were released. Our assessment is that it was an overreaction and instead we saw this as an opportunity to increase our holding at a lower price level.

Sinch was the largest negative contributor to performance; the share price was down 8 per cent during the month. There were no major news releases to speak of, but, rather, the decline in the share price reflected profit-taking after a very strong share price development. The valuation and future expectations of Sinch have increased, while at the same time markets have been volatile – and as such it is reasonable to see profit-taking. Sinch is a relatively large holding in both Lannebo Teknik and Lannebo Teknik Småbolag.

## Sector allocation



#	Sector	% of the fund
1.	Information technology	65.5
2.	Communication services	23.1
3.	Consumer discretionary	7.1
4.	Financials	0.6
5.	Health care	0.3
6.	Industrials	0.1
	Cash	3.2

## 10 largest holdings

Holding	% of the fund
Microsoft	8.9
Alphabet	7.2
Apple	6.2
Amazon.com	6.2
Salesforce.com	4.5
Sinch	4.2
Palo Alto Networks	4.0
MicroChip Technology	3.7
Adobe	3.3
Advanced Micro Devices	3.2
<b>Total 10 largest holdings</b>	<b>51.5</b>
Cash	3.2
Total number of holdings	35

## Major changes during the month

### Buy

Veeva Systems  
Salesforce  
Advanced Micro Devices

### Sell

PayPal Holdings  
Microsoft  
Naspers

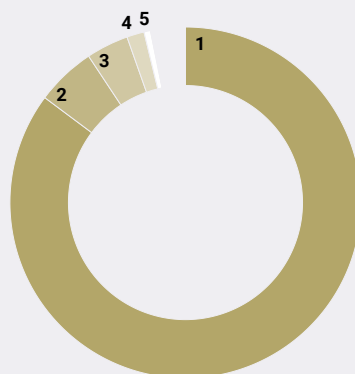
## Risk and reward profile

Lower risk							Higher risk	
1	2	3	4	5	6	7		

## Financial ratios

	Lannebo Teknik	Benchmark
Sharpe ratio	1.6	1.5
Total risk (%)	17.2	18.7
Tracking error	8.3	
Information ratio	-0.2	
Alpha	0.3	
Beta	0.8	
Portfolio turnover ratio (12/31/20)	0.2	

## Geographical split



#	Country	% of the fund
1	North America	85.2
2	Sweden	5.5
3	Asia	3.9
4	Europe. excl. Sweden	1.6
5	Africa	0.6
6	Cash	3.2

## Fund facts

Fund manager	<b>Johan Nilke &amp; Helen Broman</b>
Launch date	<b>08/04/00</b>
NAV per unit (SEK)	<b>13.18</b>
Fund size (SEKm)	<b>6,916</b>
Management fee (%)	<b>1.6</b>
Bankgiro	<b>5563-4638</b>
ISIN	<b>SE0000740672</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
PPM number	<b>771 030</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>549300Y3UW5Y5DPJS002</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 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.



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

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