

# Lannebo Corporate Bond

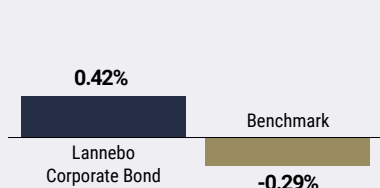
Swedish-registered fixed income fund, SEK

Monthly report February 2021

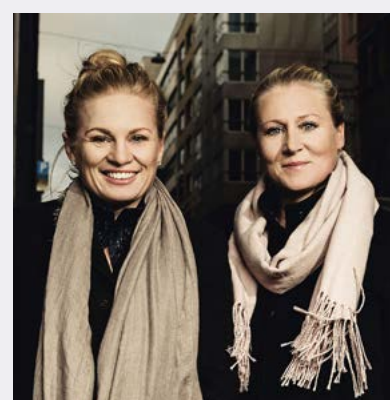
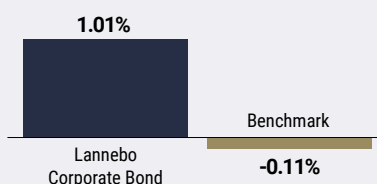
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2021	<b>Feb 2021</b>	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 year-to-date



**Katarina Ponsbach Carlsson and Karin Haraldsson**

## Positive market sentiment

The green trend continues.

The positive market sentiment continued during February. However, at the end of the month there was uncertainty related to delayed vaccine deliveries and a third wave of infection spread. Activity was good in the primary market for Nordic corporate bonds, where many new companies issued bonds. The Q4 earnings reports were generally good from a credit perspective, where earnings continued to surprise positively driven primarily by substantial cost reductions.

During the month, we participated in several new issues. The green trend continued and we invested in the respective green bonds issued by two Norwegian companies, Aker Horizons and Scatec – two companies active within renewable energy. Aker Horizons is part of the Aker Group and is the company's newest addition within renewable energy. The company listed on the Oslo Stock Exchange during the month. Aker Horizons is active in wind and solar power, in addition to other emissions reducing technologies. Scatec is also listed on the Oslo Stock Exchange, and the company has previously issued bonds on the market. Scatec develops and operates solar, water and wind farms globally. The proceeds from the respective bonds will be used to finance projects within the companies' green frameworks.

## Performance

Performance (%)	Lannebo Corporate Bond	Benchmark <sup>1</sup>
February 2021	0.4	-0.3
Year-to-date 2021	1.0	-0.1
3 years	1.8	2.9
5 years	10.6	6.4
Since launch (09/10/12)	19.7	20.4
Average annual return 24 months	0.8	1.4
2020 <sup>2</sup>	-2.1	1.9
2019 <sup>2</sup>	3.6	1.4
2018 <sup>2</sup>	-0.3	0.0
2017 <sup>2</sup>	3.4	1.3
2016 <sup>2</sup>	3.7	3.0

<sup>1</sup> Before 06/01/20 the benchmark of the fund was Nasdaq OMX Credit SEK TR Index.

<sup>2</sup> The performance is based on closing prices.

## Monthly performance %

Jan	Feb	Mar	Apr	May	Jun
0.6	0.4				
Jul	Aug	Sep	Oct	Nov	Dec

The fund also participated in a new issue by Danish insurance company Tryg, which issued so-called RT1 bonds. The RT1 bond's position in the capital structure is below a regular bond; however, the bond also provides a higher coupon rate. Tryg has the opportunity to redeem the bond after five years.

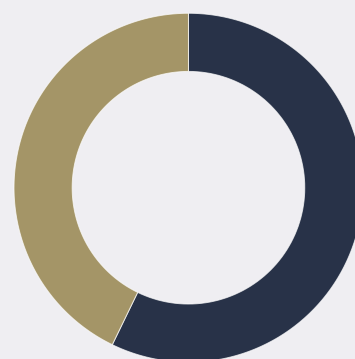
The Riksbank announced during the month that it would maintain the repo rate unchanged and would continue with its expansionary monetary policy to reach the inflation target. The Riksbank continued with support purchases within the SEK 700 billion framework, and in September last year the Riksbank began its purchases of corporate bonds. Volumes have so far been limited; however, we are positive to the Riksbank's mandate so that purchases can be expanded should the market become volatile.

Interest rates rose sharply in February as a result of a rapid flare-up of inflation due to sharply rising commodity prices, with long-term interest rates increasing the most. The Swedish 5-year government bond yield, which bottomed in March last year at around -0.6 per cent, came into positive territory at +0.06 per cent at the end of the month. US and European long-term interest rates followed the same pattern. We reduced our holdings in Telia, SEB and Vapo, which are all fixed-rate bonds that are negatively affected by rising long-term interest rates.

We maintained the fund's same structure. The credit duration, the average maturity of all holdings in the fund, was basically unchanged during the period. On the other hand, we reduced the interest rate duration, measured as the average fixed interest period, to protect the fund against rising long-term interest rates.

Given an unchanged interest rate, the fund's current rate of return, before fees, is approximately 2.5 per cent.

## Credit rating distribution



	Credit scoring securities	% of the fund
<b>Investment grade</b>	AAA	0.0
	AA+/AA/AA-	0.0
	A+/A/A-	1.6
	BBB+/BBB/BBB-	49.9
<b>High yield</b>	BB+/BB/BB-	38.5
	B+/B/B-	0.0
	CCC/CC/C	0.0
<b>Default</b>	D	0.0
	Cash/other	10.0

The share of the portfolio's fixed income securities with an official credit rating amounted to 33.8 per cent.

## 10 largest holdings

Holding	% of the fund
Velliv	4.0
Castellum	3.9
Tryg Forsikring A/S	3.2
Intrum	3.2
Balder	3.1
Småkraft AS	3.0
Cibus Nordic Real Estate	2.6
DNB Bank	2.6
DFDS	2.5
Cargotec	2.5
<b>Total 10 largest issuers</b>	<b>30.3</b>
Cash	10.0
Total number of issuers	47

## Major changes during the month

### Buy

Aker Horizons  
Scatec  
Tryg  
Länsförsäkringar

### Sell

Telia  
SEB  
Vapo

## Risk and reward profile

Lower risk Higher risk

1	2	3	4	5	6	7
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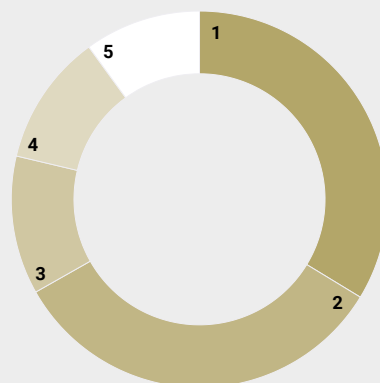
## Financial ratios

	Lannebo Corporate Bond	Benchmark
Total risk (%)	8.8	2.1
Interest-rate duration (years)	0.8	
Credit duration (years)	3.1	
Portfolio turnover ratio (12/31/20)	0.7	

## Maturity profile

	% of the fund
< 1 year	13
1-3 years	27
3-5 years	58
> 5 years	2

## Country allocation



#	Country	% of the fund
1	Sweden	33.7
2	Norway	33.1
3	Denmark	11.9
4	Finland	11.3
5	Cash	10.0

## Fund facts

Fund manager	<b>Karin Haraldsson &amp; Katarina Ponsbach Carlsson</b>
Launch date	<b>09/10/12</b>
NAV per unit (SEK)	<b>119.73</b>
Fund size (SEKm)	<b>1,314</b>
Management fee	<b>0.90%</b>
Bankgiro	<b>303-5318</b>
ISIN	<b>SE0004750396</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>5493006FC1DHI1YJE467</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 but at a lower risk than equity funds.
- Want exposure to corporate bonds with low to medium risk.
- Want an actively managed fund where a thorough company analysis creates long-term returns.

## The fund's investment policy

Lannebo Corporate Bond is an actively managed long-term fixed income fund that mainly invests in Swedish but also other Nordic corporate bonds. The credit duration of the fund is normally 3-5 years. Lannebo Corporate Bond may invest more than 35 per cent of the fund's assets in bonds and other debt instruments issued or guaranteed by a Nordic state or municipality.

## Explanations

### Benchmark

Solactive SEK IG Credit Index.

### Interest-rate duration

Weighted average life.

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

### Total risk

Given as the standard deviation of variations in the total return of the fund or index.

### Credit duration

Weighted average maturity.



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