

# Lannebo High Yield

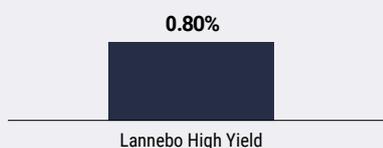
Swedish-registered fixed income fund

Monthly report February 2021

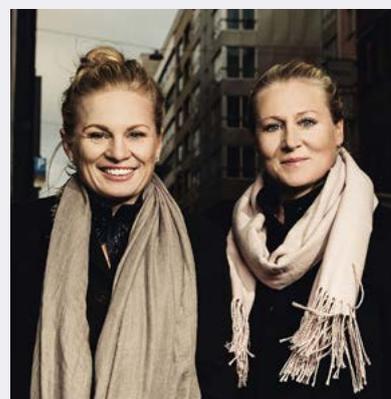
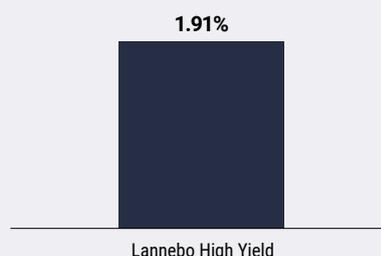
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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
----------	-----------------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------

## Monthly performance



## Performance year-to-date



**Katarina Ponsbach Carlsson & Karin Haraldsson**

## Inflationary concerns led long-term interest rates to increase

Invested in Finnish Vesivek and Citec.

The market's positive tone continued in February. Concerns over rising inflation crept in at the end of the period and long-term interest rates increased. During the month, the Swedish 10-year government bond yield reached 0.41 per cent up from 0.09 per cent. We maintained a low interest rate duration to protect the fund against rising interest rates.

The primary market for Nordic corporate bonds was active during the period. We participated in a new issue by the Finnish roofing company Vesivek, which made its debut in the credit market during the month. Vesivek is the market leader in Finland and the company is also building a stable position in the Swedish market. The company issued a bond with a 4-year maturity and a coupon interest rate of 3-month Stibor + 6.6 per cent.

We also invested in a bond issued by the Finnish technology consulting company Citec. Furthermore, we extended two existing holdings. The haulage and construction group Bellman group issued a new bond with a five-year maturity, which replaced the company's previously redeemed bond. Real estate company Nivika

## Performance

	Lannebo High Yield
Performance (%)	
February 2021	0.8
Year-to-date 2021	1.9
3 years	3.6
5 years	18.6
Since launch (01/30/15)	17.7
Average annual return 24 months	0.9
2020 <sup>1</sup>	-3.8
2019 <sup>1</sup>	5.0
2018 <sup>1</sup>	1.0
2017 <sup>1</sup>	5.1
2016 <sup>1</sup>	5.6

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

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
1.1	0.8				
Jul	Aug	Sep	Oct	Nov	Dec

also issued a new green bond under an existing framework that matures in 2023, which replaced our investment in the company's shorter-term bond.

During the period, we divested our entire holding in the real estate company Cibus given we assess limited potential going forward; we also reduced our holding in Intrum, partly to maintain the fund's low interest rates.

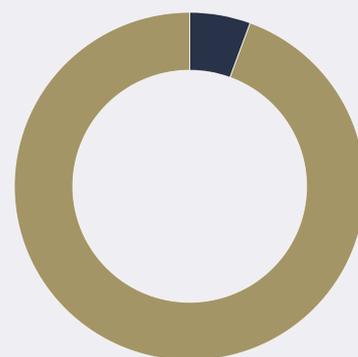
The earnings season ended during the period and we noted, overall, that many companies beat expectations. Companies with e-commerce above all, but also more generally, have disclosed earnings reports with good profits driven by substantial cost reductions.

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.

We maintained the fund's structure. 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.

Given an unchanged interest rate, the fund's current rate of return, before fees, is approximately 5.3 per cent.

## Credit rating distribution



	Credit scoring securities	% of the fund
<b>Investment grade</b>	AAA	0.0
	AA+/AA/AA-	0
	A+/A/A-	0.0
	BBB+/BBB/BBB-	5.1
<b>High yield</b>	BB+/BB/BB-	32.3
	B+/B/B-	52.7
	CCC/CC/C	0.6
<b>Default</b>	D	0.0
Cash/other		9.3

The share of the portfolio's fixed income securities with an official credit rating amounted to 19.0 per cent.

## 10 largest holdings

Holding	% of the fund
Color Group	3.2
SEB	3.0
Intrum	3.0
Bewisynbra Group	2.9
Ocean Yield	2.6
Jacob Holm & Sonner	2.4
Catella	2.4
DLF Seeds	2.3
Ziton	2.3
FNG Nordic	2.3
<b>Total 10 largest issuers</b>	<b>26.3</b>
Cash	9.3
Total number of issuers	50

## Major changes during the month

### Buy

Bellman  
Citec  
Nivika  
Vesivek

### Sell

Cibus  
Intrum

## Risk and reward profile



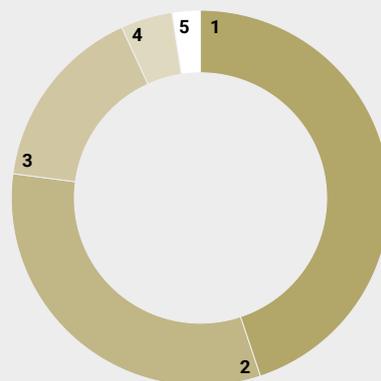
## Financial ratios

	Lannebo High Yield
Total risk (%)	12.7
Interest-rate duration (years)	0.5
Credit duration (years)	2.5
Portfolio turnover ratio (12/31/20)	0.6

## Maturity profile

	% of the fund
< 1 year	18
1-3 years	41
3-5 years	41
> 5 years	1

## Country allocation



#	Country	% of the fund
1	Sweden	40.7
2	Norway	29.2
3	Denmark	14.6
4	Finland	4.0
5	Germany	2.2
6	Cash	9.3

## Fund facts

Fund manager	<b>Karin Haraldsson &amp; Katarina Ponsbach Carlsson</b>
Launch date	<b>01/30/15</b>
NAV per unit (SEK)	<b>117.73</b>
Fund size (SEKm)	<b>871</b>
Management fee	<b>0.90%</b>
Bankgiro	<b>584-9369</b>
ISIN	<b>SE0006421855</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>549300XRFDNRDKE3IM10</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 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.



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

**LANNEBO**