

Lannebo Sverige

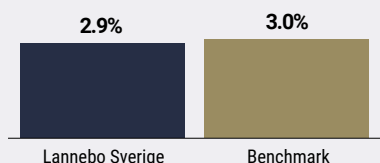
Swedish-registered equity fund

Monthly report February 2021

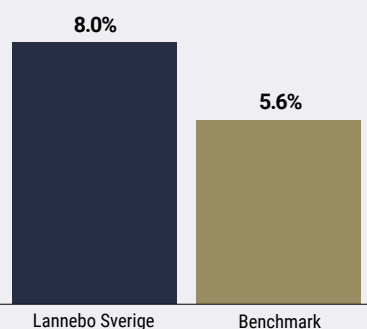
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2021	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



Martin Wallin & Robin Nestor

Performance

Performance, %	Lannebo Sverige	Benchmark
February 2021	2.9	3.0
Year-to-date 2021	8.0	5.6
3 years	41.7	55.2
5 years	78.5	98.2
10 years	186.1	219.1
Since launch (08/04/00)	565.2	438.9
Average annual return 24 months	14.9	20.9
2020 ¹	10.4	14.8
2019 ¹	21.9	35.0
2018 ¹	-1.2	-4.4
2017 ¹	7.4	9.5
2016 ¹	11.0	9.6

¹ The performance is based on closing prices.

Increasing raw material prices trigger inflation

Invested in Swedbank and Essity.

The Stockholm Stock Exchange, as a whole, developed marginally positively during the beginning of the year. In general, large caps outperformed small caps, seen as OMXS30 versus OMXSSCPI, where the excess return was 4 percentage points.

From a macro perspective, focus is gradually shifting from monetary policy stimuli to fiscal policy stimuli. The fact that Janet Yellen, the new US Treasury Secretary, is coming from the central bank is perhaps a sign of the times when the Democrats are trying to push through continued fiscal stimulus.

Quarterly earnings reports released so far show a recovery in line with the third quarter last year. Cost levels, which remain low, are expected to increase in 2021, all other things being equal. In line with increasing demand, we are seeing inflationary trends in production chains, while increased mobility after vaccination will lead to a normalized cost base for companies.

Most central banks, including the Fed and ECB, kept their policy rates unchanged in February. The US ten-year interest rate rose by about 20 basis points during the beginning of the month, to around 1.10 per cent at the end of the month. The Swedish krona weakened

Monthly performance,%

Jan	Feb	Mar	Apr	May	Jun
5.0	2.9				
Jul	Aug	Sep	Oct	Nov	Dec

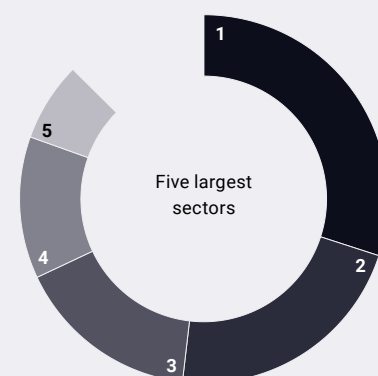
slightly against the USD, EUR and GBP.

Nokia and Veoneer outperformed the market as a whole, increasing 26 per cent and 23 per cent, respectively. Nokia, together with a number of US shares, was the subject of an interesting phenomenon where members of Reddit, a major online forum, resolved to buy shares and options in companies with either depressed prices or shorted. The American retailer of computer games GameStop was the most mentioned stock and the share price increased sharply, far exceeding a reasonable market value. Nokia was drawn into this massive buying wave and increased nearly 50 per cent on the Stockholm Stock Exchange from SEK 34 to a high of around SEK 50 during a short period. After the buying campaign came to fruition in the US ahead of the weekend, the price fell back somewhat, to what we believe are still attractive investment levels. We reduced our holding in Nokia on the days the share price surged.

Veoneer finished 2020 with an order intake amounting to \$530 million. The company estimates that it won orders in active security at a market share of 15 per cent, which is higher than the current sales volumes. Veoneer also finally signed the agreement with chip manufacturer Qualcomm. A new unit, Arriver, has been started within Veoneer, where the two companies will collaborate for the development of advanced driver support and self-driving systems. We now expect sales growth in future quarterly reports.

NCC and Boliden developed poorly, where the share price of both companies fell 6 per cent. NCC's quarterly report was given a cold reception due to lower than expected sales and order intake, together with a number of non-recurring costs. Profitability, which is a priority, was good in business areas Construction and Infrastructure. In line with the company's communication, we see the greatest value in improving profitability and developing the operating margin towards the target of 3.5 per cent in the above mentioned business areas. Boliden's share fell back in February after a strong price development at the end of December. The recent increase in the price of copper, zinc and precious metals contributed to profit growth in the mines, while a weakened Swedish krona had a negative effect. We consider the company to be attractively valued at around ten times annual profit with the assets in the Nordic region and a long-term increasing demand for extracted metals.

Sector allocation



#	Sector	% of the fund
1.	Industrials	28.4
2.	Financials	20.7
3.	Consumer discretionary	15.3
4.	Information technology	11.8
5.	Communication services	6.6
6.	Health care	5.4
7.	Materials	3.6
8.	Consumer staples	2.9
	Cash	5.3

10 largest holdings

Holding	% of the fund
Ericsson B	6.3
Trelleborg B	6.1
Swedbank A	5.7
Nordea	5.7
H&M B	5.3
SEB A	5.2
Handelsbanken A	4.1
Securitas B	4.0
SKF B	3.9
Loomis B	3.7
Total 10 largest holdings	49.9
Cash	5.3
Total number of holdings	31

Major changes during the month

Buy

Nokia SEK
Swedbank
Essity

Sell

Stora Enso
Boliden
Volvo

Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

Financial ratios

	Lannebo Sverige	Benchmark
Sharpe ratio	0.7	1.1
Total risk (%)	23.5	18.8
Tracking error	7.3	
Information ratio	-0.8	
Alpha	-0.7	
Beta	1.2	
Active share	68	
Portfolio turnover ratio (12/31/20)	1.6	

Fund facts

Fund manager	Martin Wallin & Robin Nestor
Launch date	08/04/00
NAV per unit (SEK)	50.07
Fund size (SEKm)	3,008
Management fee (%)	1.6
Bankgiro	5563-4604
ISIN	SE0000740680
Trading frequency	Daily
Minimum investment amount	SEK 100
PPM number	806 869
Supervisory authority	Finansinspektionen
LEI	549300GJSC541WIWX079

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 take part in developments on the Swedish equity market.
- Want an actively managed fund with investments based on a clear understanding of each individual company.

The fund's investment policy

Lannebo Sverige is an actively managed equity fund that invests in shares on the Swedish equity market.

Explanations

Benchmark SIX Portfolio 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 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.

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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