

# Lannebo Småbolag

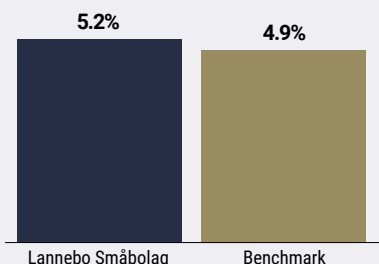
Swedish-registered equity fund, SEK

Monthly report March 2021

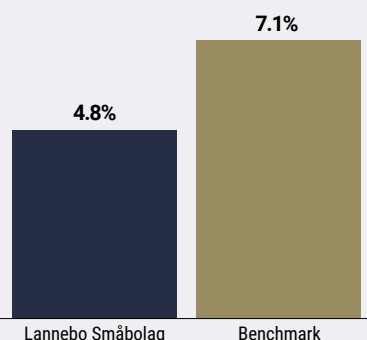
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2021	Feb 2021	<b>Mar 2021</b>	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 Ståhl & Hjalmar Ek

## Performance

Performance, %	Lannebo Småbolag	Benchmark
March 2021	5.2	4.9
Year-to-date 2021	4.8	7.1
3 years	69.3	92.2
5 years	114.8	131.7
10 years	351.3	381.3
Since launch (08/04/00)	1,822.4	1,331.4
Average annual return 24 months	23.5	28.4
2020 <sup>1</sup>	18.0	23.0
2019 <sup>1</sup>	40.4	43.2
2018 <sup>1</sup>	-1.7	-0.2
2017 <sup>1</sup>	12.7	8.8
2016 <sup>1</sup>	9.7	12.2

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

## Strained supply chains impact recovery

Increased holdings in MTG and Elekta.

Vaccinations continued in March, although progress varies considerably by country and region. Overall, the vaccine rollout is going in the right direction, despite bottlenecks and obstacles - on a global basis - for rapid deployment.

Strained supply chains and a shortage of semiconductors, among other things, has been an issue since the start of the pandemic, which intensified when the economy bounced back. During Q1, the shortage of semiconductors led to temporary production stoppages at several car manufacturers, which of course also affects suppliers.

Several of the fund's holdings organized capital markets events during March.

Bufab is a distributor of C-parts, such as screws, nuts and other fasteners. C-parts account for approximately 2-3 percent of a product's total cost, where the management of C-parts is complex; Bufab's product range contains 150,000 items. The company's business concept is to be an end-to-end supplier by offering procurement, purchasing, transport and distribution to their approximately 13,000 customers. In addition, sustainability is central to Bufab's business processes with resources to evaluate

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-1.2	0.9	5.2			
Jul	Aug	Sep	Oct	Nov	Dec

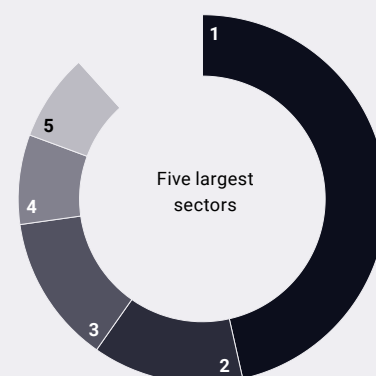
and make demands on suppliers. Sales and profits have increased significantly since the IPO in 2014. Conditions are good for continued growth - both organically and through acquisitions - where the company estimates its current market share is below 1 per cent, despite being one of the larger suppliers in the industry. Unfortunately, the company's CEO Jörgen Rosengren announced during March that he would leave his position to assume the CEO role at Gränges. Jörgen Rosengren has been Bufab's CEO since 2012, and a recruitment process has been initiated to find his replacement.

Kitchen manufacturer Nobia also held a presentation for the capital markets. The company has been burdened by the shutdown in the UK over the past year, while Nordic operations have developed better. The company had also previously announced a SEK 3.5 billion investment in a new production unit in Jönköping. The new production unit will increase automation and manufacturing capacity. Other growth initiatives include increased sales to UK craftsmen, expansion of Danish HTH in Germany and a reduction in retail space by using digitalisation, thereby increasing profitability.

The gaming and e-sports company MTG announced that it is acquiring New Zealand-based game developer Ninja Kiwi. In connection with the acquisition, MTG carried out a private placement, which we subscribed to. Ninja Kiwi has a dominant market position in the niche of tower defense games since the first edition of the company's most famous game, Bloons TD, in 2007. We assess the company has good opportunities to work more actively with marketing and payment models to continue to drive profitable growth. Overall, our impression is that MTG has bought a well-run company at an attractive price.

We also increased our holdings in Elekta and Vaisala during March as we consider the two companies as quality businesses at interesting valuations. The holdings in Balder and Addtech were reduced, while the remaining holding in the Danish insurance company Alm. Brand was divested in its entirety. As described in the previous monthly report, the investment in Norwegian Storebrand fulfills a similar function in the portfolio, while the investment case we envisioned when we invested in Alm. Brand has to a large part played out.

## Sector allocation



#	Sector	% of the fund
1.	Industrials	44.9
2.	Health care	12.8
3.	Consumer discretionary	12.6
4.	Materials	7.6
5.	Real estate	7.4
6.	Information technology	4.4
7.	Communication services	4.3
8.	Financials	2.6
	Cash	3.4

## 10 largest holdings

Holding	% of the fund
Trelleborg B	5.5
Securitas B	5.3
Addtech B	4.6
Nolato B	4.5
Huhtamäki	3.7
Bravida	3.6
Husqvarna B	3.2
Lindab	3.1
Castellum	3.0
Hexpol B	3.0
<b>Total 10 largest holdings</b>	<b>39.6</b>
Cash	3.4
Total number of holdings	52

## Major changes during the month

### Buy

Elekta  
Vaisala  
MTG

### Sell

Balder  
Addtech  
Alm. Brand

## Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

## Financial ratios

	Lannebo Småbolag	Benchmark
Sharpe ratio	1.0	1.2
Total risk (%)	26.0	22.5
Tracking error	6.1	
Information ratio	-0.8	
Alpha	-0.6	
Beta	1.1	
Active share (%)	66	
Portfolio turnover ratio (12/31/20)	0.3	

## Fund facts

Fund manager	<b>Johan Ståhl &amp; Hjalmar Ek</b>
Launch date	<b>08/04/00</b>
NAV per unit (SEK)	<b>158.37</b>
Fund size (SEKm)	<b>32,230</b>
Management fee (%)	<b>1.6</b>
Bankgiro	<b>5563-4620</b>
ISIN	<b>SE0000740698</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
PPM number	<b>842 690</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>549300JC5787N3394631</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 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 SEK 88 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.

