



# Lannebo Sverige Plus

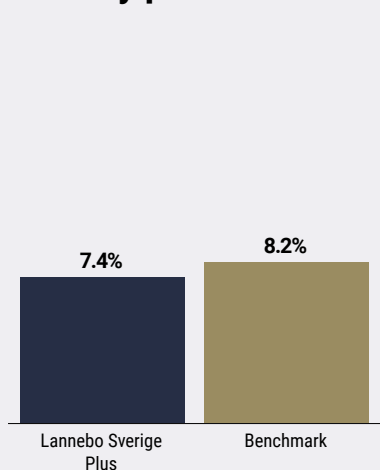
Swedish-registered equity fund

Monthly report March 2021

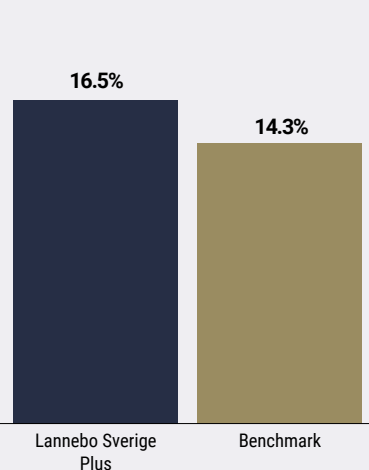
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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



Martin Wallin & Robin Nestor

## Inflation trends drive long-term interest rates higher

Bought shares in AstraZeneca and Axfood.

Sustained market gains defined the month where the Stockholm Stock Exchange is among the top performing markets globally with an increase of 14.3 per cent (SIXPRX) so far this year. The prevailing general view of the market going forward, based on today's share prices, seems to be promising and optimistic.

Current SIXPRX index levels are about 60 per cent higher compared to one year ago - the stock market's weakest month in 2020. It is an outstanding recovery in terms of both size and speed. Various monetary policies and fiscal stimuli have supported the economy. For example, the US Covid-19 and presumed infrastructure programs amount to a total of SEK 34,000 billion and account for approximately 15 per cent of the country's government debt.

Companies have faced challenges in both supply chains and production over the past twelve months. The consequences of these bottlenecks is that they lead to increased product or manufacturing process costs, which we now see flowing through to end consumers. Inflation is apparent, but we do not consider it to be problematic. Good demand from companies results in a stronger economy that hopefully will be self-sustaining going forward, with

## Performance

	Lannebo Sverige Plus	Benchmark
Performance, %		
March 2021	7.4	8.2
Year-to-date 2021	16.5	14.3
3 years	57.0	70.1
5 years	100.3	110.4
10 years	238.8	237.6
Since launch (12/11/08)	634.6	542.1
Average annual return 24 months	21.3	25.1
2020 <sup>1</sup>	11.7	14.8
2019 <sup>1</sup>	22.6	35.0
2018 <sup>1</sup>	-0.7	-4.4
2017 <sup>1</sup>	8.8	9.5
2016 <sup>1</sup>	13.3	9.6

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

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
5.2	3.1	7.4			
Jul	Aug	Sep	Oct	Nov	Dec

limited interventions from central banks.

Many central banks, including the Fed and the ECB, maintained key policy rates in March. The US ten-year interest rate increased by about 30 basis points to around 1.73 per cent at the end of the month. The Swedish krona weakened slightly against the USD, EUR and GBP.

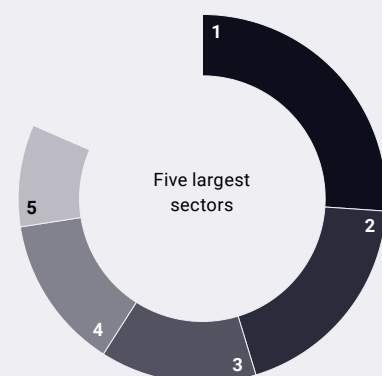
Electrolux and Loomis developed better than the market as a whole with share price increases of 21 and 20 per cent, respectively. The white goods industry has seen strong demand while supply chain imbalances have limited stock, thereby limiting price reductions and instead providing for the possibility of price increases in line with rising raw material costs. Electrolux has clearly communicated that it expects to be able to offset its increased costs with higher consumer prices. During the month, the company distributed the first half of the year's total SEK 8/share dividend.

Loomis faced tough market conditions due to societal shut downs and limited physical retail. The amount of cash in the United States and several southern European countries continues to grow, but its use in transactions declined during the pandemic. The trend of increased e-commerce and digital payment solutions will of course continue, but our assessment is that Loomis can continue to grow its business within these structural changes by taking market share, winning outsourcing contracts and acquiring companies.

Veoneer and H&M developed poorly decreasing by 8 and 1 per cent, respectively. The automotive industry has been affected by a lack of data chips and the semiconductor component. The majority of major passenger car manufacturers in different geographies announced they were forced to reduce production or stop production altogether. It remains to be seen when supply and demand will normalize. Veoneer has communicated they have not had major problems in their production but are instead indirectly affected by reduced customer orders. Long term, we do not see this as being negative for the company, even though short term it may disrupt the strong growth trend we expected.

H&M reported Q1 earnings where, as previously communicated, sales decreased by 21 per cent in local currency while the company reported a loss of SEK 1.1 billion. E-commerce continues to develop very well and during the quarter another logistics center was completed in the eastern United States. Management highlighted that in some geographies sales were back - and in some cases above 2019 levels - for stores that opened following long closures. We see this as another sign - among other indications - that the implemented changes are having positive effects with the possibility of an operating margin around low double-digit levels. H&M also works to transform both the company and the industry to be more sustainable. We believe that the strategy of maintaining a high product quality and a competitive price is the right way to go in order to gain long-term customer loyalty while also being a responsible sustainable company.

## Sector allocation



#	Sector	% of the fund
1.	Industrials	24.7
2.	Financials	18.2
3.	Information technology	13.0
4.	Consumer discretionary	12.8
5.	Health care	8.5
6.	Materials	6.8
7.	Consumer staples	5.2
8.	Communication services	5.1
9.	Real estate	-0.4
Cash		6.3

## 10 largest holdings

Holding	% of the fund
Ericsson B	6.7
Nordea	5.9
H&M B	5.5
Swedbank A	5.4
SEB A	4.9
Trelleborg B	4.7
Nokia EUR	4.3
Securitas B	4.1
Essity B	3.9
Autoliv SDB	3.8
<b>Total 10 largest holdings</b>	<b>49.1</b>
Cash	6.3
Total number of holdings	41

## Major changes during the month

### Buy

AstraZeneca  
Axfod  
Essity

### Sell

Electrolux  
Telia  
Sandvik

## Risk and reward profile

Lower risk							Higher risk	
1	2	3	4	5	6	7		

## Financial ratios

	Lannebo Sverige Plus	Benchmark
Sharpe ratio	0.9	1.3
Total risk (%)	24.5	19.3
Tracking error	7.8	
Information ratio	-0.5	
Alpha	-0.6	
Beta	1.2	
Active share	75	
Gross equity exposure (%)	105	
Net equity exposure (%)	94	
Portfolio turnover ratio (12/31/20)	1.8	

## Fund facts

Fund manager	<b>Martin Wallin &amp; Robin Nestor</b>
Launch date	<b>12/11/08</b>
NAV per unit (SEK)	<b>71.61</b>
Fund size (SEKm)	<b>5,648</b>
Management fee	<b>1.0% + 20% of any excess return</b>
Return threshold	<b>SIX Portfolio Return Index</b>
Bankgiro	<b>346-3585</b>
ISIN	<b>SE0002686584</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
PPM number	<b>490 292</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>549300W8FUNESQQE9448</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 Swedish equity fund with greater opportunities.
- Want an actively managed fund with investments based on a clear understanding of each individual.

## The fund's investment policy

Lannebo Sverige Plus is an actively managed equity fund that primarily invests in shares on the Swedish equity market. The fund is similar to a traditional equity fund, but with more flexible investment rules. The "Plus" label reflects the fund's ability to invest more than 100 per cent of the fund's assets. For example, the fund can invest 130 per cent in shares that the fund managers are positive about and balance this by reducing its equity exposure by 30 per cent through the sale of shares that the fund does not own. i.e. short selling.

## 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.

