

# Lannebo Småbolag

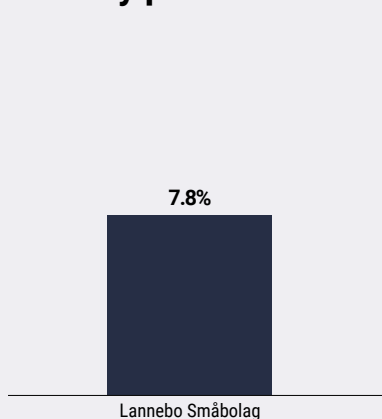
Swedish-registered equity fund, EUR

Monthly report April 2021

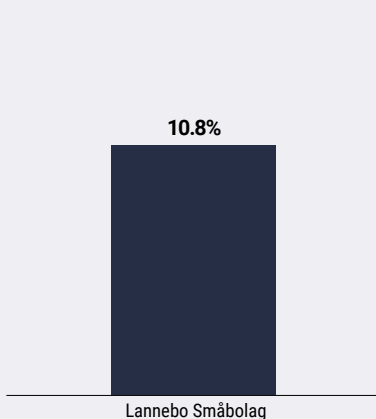
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2021	Feb 2021	Mar 2021	<b>Apr 2021</b>	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
April 2021	7.8
Year-to-date 2021	10.8
3 years	78.6
5 years <sup>1</sup>	107.7
10 years <sup>1</sup>	320.3
Since launch (08/04/00) <sup>1</sup>	1,590.6
Average annual return 24 months	25.8
2020 <sup>2</sup>	22.6
2019 <sup>2</sup>	36.3
2018 <sup>2</sup>	-4.8
2017 <sup>2</sup>	9.8
2016 <sup>2</sup>	5.1

<sup>1</sup> Performance of the fund before start of the asset class (05/02/16) is simulated from the SEK-asset class.

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

## Positive earnings but expectations were high AddLife makes two significant acquisitions.

During April, earnings were in focus with the start of the Q1 earnings season. In general, it can be said that most companies continued to see gradual improvements in demand. The downside of this has been bottlenecks in several segments in the form of a lack of inputs and shipping capacity. Several sectors are still burdened by coronavirus effects, but as vaccination programs progress, the market is more and more willing to look beyond these transient issues.

Among holdings that released Q1 earnings, AddLife accounted for the greatest share price development with an increase of 49 per cent. In addition to a robust quarterly report, with continued strong profit growth driven by COVID-19 PCR tests, the company also made two major acquisitions. The first company - VOG - is a European distributor and manufacturer of eye surgery products with operations in several Central European markets and the UK. VOG has a strong position in its niche and a good growth rate. The other acquisition was Healthcare 21 - with operations in the UK and Ireland - that distributes medical products to several segments in healthcare, including emergency and home care. The company's corporate culture is similar to AddLife's and a high proportion of the distribution agreements are exclusive.

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-1.9	0.7	4.1	7.8		
Jul	Aug	Sep	Oct	Nov	Dec

Industrial company Beijer Alma had a busy month with two acquisitions, a quarterly report that highlighted continued recovery in all business areas and information regarding an intrusion into the IT system of the Habia Cables subsidiary. The acquisitions and the good result led to a 20 per cent increase in Beijer Alma's share price.

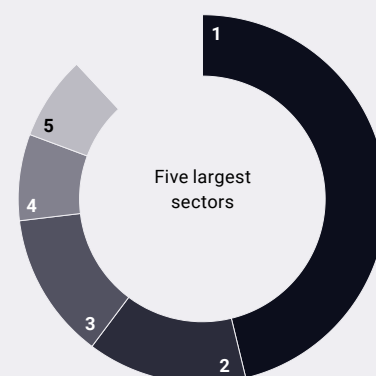
Technology company Mycronic delivered an earnings report that disclosed a marked margin improvement in the Assembly Solutions segment, which supplies equipment for, among other things, circuit board manufacturing. Assembly Solutions' margins have been questioned by the market and is the division where we assess the company has the greatest potential going forward. We view the results as another step in the right direction. The Mycronic shares rose 22 per cent in April.

Duni's earnings report disclosed another weak quarter, which is understandable given customers are primarily restaurants and hotels that are still heavily impacted by the pandemic. Despite the weak profitability, the market chose to look forward and the shares rose 15 per cent. Gaming and e-sports company MTG's results were also on the weaker side. Some e-sport customers have been reluctant to sign agreements due to uncertainty about when events can be held given the pandemic, while some forward-looking investments led to higher costs. We assess that the former effect is transient and that the latter is positive in a longer-term perspective. The MTG shares rose 3 per cent.

Elevator company Alimak's earnings report showed continued weak sales and margin development, but order intake was better than expected. Although the new CEO's program to improve Alimak's profitability will take time, the company appears to be on the right track. Alimak's share price increased by 4 per cent.

During the month, we increased our holdings in Huhtamäki, Trelleborg and Storebrand as we after the respective quarterly reports believed the stocks trade at interesting price levels. The holding in BillerudKorsnäs was reduced following a strong price development, where, in our opinion, the share now looks reasonably valued. Holdings in Concentric and Hexpol were marginally reduced.

## Sector allocation



#	Sector	% of the fund
1.	Industrials	44.5
2.	Health care	13.5
3.	Consumer discretionary	12.4
4.	Real estate	7.3
5.	Materials	7.1
6.	Information technology	4.7
7.	Communication services	4.1
8.	Financials	2.7
Cash		3.8

## 10 largest holdings

Holding	% of the fund
Trelleborg B	5.3
Addtech B	4.8
Securitas B	4.8
Nolato B	4.4
Huhtamäki	3.8
Bravida	3.5
Castellum	3.0
Hexpol B	2.9
Lindab	2.8
Husqvarna	2.8
<b>Total 10 largest holdings</b>	<b>38.1</b>
Cash	3.8
Total number of holdings	52

## Major changes during the month

### Buy

Huhtamäki  
Trelleborg  
Storebrand

### Sell

BillerudKorsnäs  
Concentric  
Hexpol

## Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

## Financial ratios<sup>1</sup>

	Lannebo Småbolag	Benchmark
Sharpe ratio	1.0	1.3
Total risk (%)	28.9	25.5
Tracking error	6.0	
Information ratio	-1.1	
Alpha	-0.7	
Beta	1.1	
Active share (%)	66	
Portfolio turnover ratio (12/31/20)	0.3	

<sup>1</sup> Financial ratios of the fund before start of the asset class (05/02/16) is simulated from the SEK-asset class.

## Fund facts

Fund manager	<b>Johan Ståhl &amp; Hjalmar Ek</b>
Launch date	<b>08/04/00</b>
NAV per unit (EUR)	<b>207.69</b>
Fund size (EURm)	<b>3,384</b>
Management fee (%)	<b>1.6</b>
Bankgiro	<b>5563-4620</b>
ISIN	<b>SE0008040885</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>EUR 100</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 EUR 8.8 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.



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