

# Lannebo Sverige Hållbar

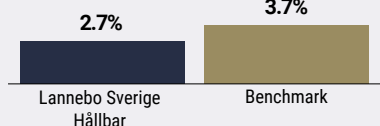
Swedish-registered equity fund

Monthly report April 2021

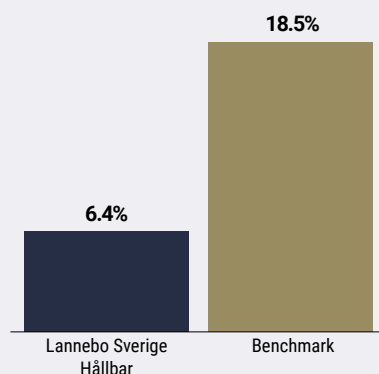
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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



Charlotta Faxén and Peter Lagerlöf.

## Performance

Performance, %	Lannebo Sverige Hållbar <sup>1</sup>	Benchmark <sup>2</sup>
April 2021	2.7	3.7
Year-to-date 2021	6.4	18.5
3 years	66.0	69.0
5 years	97.5	116.3
10 years	218.7	235.9
Since launch (01/10/10)	254.1	274.6
Average annual return 24 months	21.7	23.1
2020 <sup>3</sup>	24.1	14.8
2019 <sup>3</sup>	34.2	35.0
2018 <sup>3</sup>	-0.7	-4.4
2017 <sup>3</sup>	5.0	9.5
2016 <sup>3</sup>	8.3	9.6

<sup>1</sup> Performance of the fund before 20/12/18 is based on Lannebo Utdelningsfond.

<sup>2</sup> Before 10/12/18 the benchmark of the fund was SIX Return Index.

<sup>3</sup> The performance is based on closing prices.

## Strong Q1 earnings

Garö makes a comeback.

The Swedish stock market continued to climb in April and was up more than 18 per cent since the beginning of the year. During April, small caps developed clearly better than large caps, which was a change compared with Q1. Other Nordic equity markets also increased significantly.

Q1 earnings reports clearly beat market expectations regarding both sales and profits, which is, of course, an explanation for the strong stock market development. This also confirms the picture of a broad economic improvement as economies begin to normalize. It also appears that the strong increase in demand will gain further momentum in the coming quarters.

However, expectations were high, which was evident in share prices, especially for cyclical companies that released strong earnings reports. Despite impressive earnings results, few share prices climbed further - on the contrary, we find companies such as SKF, Sandvik and Epiroc among the months losers. The strongest sector in April was instead healthcare, where Getinge in particular,

## Monthly performance, %

Jan	Feb	Mar	Apr	Maj	Jun
-1,4	-1,2	6,3	2,7		
Jul	Aug	Sep	Okt	Nov	Dec

but also AstraZeneca, contributed to performance.

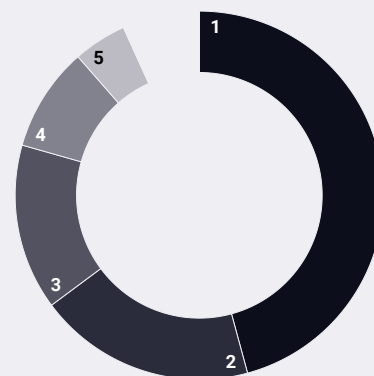
Shares with a clear green profile remained sluggish in April. It appears that last year's tailwind due to strong fund flows turned to headwinds. However, we see that fundamental driving forces for the transition from fossil to renewable and from linear to circular are strong globally, which provides good conditions for strong long-term growth.

All economic indicators clearly signal that 2021 will be a year of strong growth globally. The main uncertainty is rather whether this will lead to a lasting increase in inflation and, as such, higher interest rates. Commodity prices continued to rise sharply during April and many companies reported problems with the supply of input goods, including the lack of semiconductors. So far, central banks have dismissed inflation risks with statements that this is a temporary issue that will be rectified when transport chains- and production normalize following the pandemic. However, this assessment can obviously be reexamined. In theory, rising interest rates would be negative for the valuation of growth companies, while companies with more stable profits and cash flows would benefit.

Bond yields were largely unchanged in April in the US and Europe, including the Nordic countries. Therefore, it is difficult to track any inflationary concerns among bond investors. The Norwegian central bank is the only one to indicate that interest rate increases may be relevant this year. Other central banks are signaling unchanged policy rates for at least the next two years.

We invested in Garo, which was previously a holding that we had divested. The company, which is one of the leading manufacturers of electric car charging posts, has had some troubles with other parts of its business that have been disadvantaged by reduced housing construction. Signals from construction companies indicate housing construction is on the way up again, which benefits the affected business area within Garo, while the future for charging posts looks bright as the electrification of passenger cars rolls ever faster. Otherwise, we increased in Essity and Sandvik, and divested the holdings in Nederman, Stora Enso and Biogaia.

## Sector allocation



#	Sector	% of the fund
1.	Industrials	44.0
2.	Consumer discretionary	18.3
3.	Health care	14.0
4.	Energy	8.8
5.	Consumer staples	4.5
6.	Real estate	3.8
7.	Materials	2.7
	Cash	4.0

## 10 largest holdings

Holding	% of the fund
AstraZeneca	7.4
AFRY B	6.3
Instalco	4.9
Atlas Copco B	4.8
NIBE Industrier B	4.6
Essity B	4.5
SKF B	4.3
Thule	4.2
JM	3.9
Castellum	3.8
<b>Total 10 largest holdings</b>	<b>48.6</b>
Cash	4.0
Total number of holdings	30

## Major changes during the month

### Buy

Essity  
Sandvik  
GARO

### Sell

Nederman  
Stora Enso  
Biogaia

## Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

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

	Lannebo Sverige Hållbar	Benchmark
Sharpe ratio	1.1	1.2
Total risk (%)	21.2	19.0
Tracking error	7.3	
Information ratio	-0.2	
Alpha	-0.2	
Beta	1.0	
Active share (%)	83	
Portfolio turnover ratio (31/12/20)	0.6	

## Fund facts

Fund manager	<b>Charlotta Faxén &amp; Peter Lagerlöf</b>
Launch date	<b>01/10/10</b>
Launch date share class	<b>20/12/18</b>
NAV per unit (SEK)	<b>2,366.16</b>
Fund size (SEKm)	<b>2,180</b>
Management fee (%)	<b>1.60</b>
Bankgiro	<b>5314-3772</b>
ISIN	<b>SE0011973684</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>549300Y41WZFN0E996</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.com](http://lannebo.com). 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 companies that have the best sustainable business practices and contribute to a more sustainable society through their products and services.
- Believe in active management and investments based on a clear understanding of each individual company.
- Want to avoid investments in fossil fuel, tobacco, alcohol, weapons, gambling or pornography.

## The fund's investment policy

Lannebo Sverige Hållbar is an actively managed equity fund that mainly invests in the Swedish stock market but may invest up to 10 percent in stock markets outside Sweden. The fund is a so-called all-cap fund that can invest in all sizes of listed companies. Lannebo Sverige Hållbar follows specific sustainability criteria in its investments. This means that the fund, in addition what is required for all of Lannebo funds, actively invests in companies based on three main areas: A better environment, a healthier lifestyle and a better world.

## 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 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.

