

Lannebo High Yield

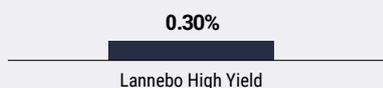
Swedish-registered fixed income fund

Monthly report May 2021

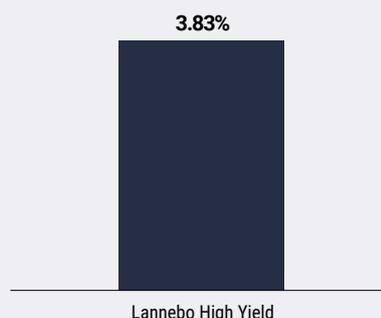
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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 year-to-date



Katarina Ponsbach Carlsson & Karin Haraldsson

Performance

	Lannebo High Yield
Performance (%)	
May 2021	0.3
Year-to-date 2021	3.8
3 years	5.1
5 years	16.5
Since launch (01/30/15)	19.9
Average annual return 24 months	1.2
2020 ¹	-3.8
2019 ¹	5.0
2018 ¹	1.0
2017 ¹	5.1
2016 ¹	5.6

¹ The performance is based on closing prices.

Continued strong market

Sold Catella and invested in Besqab

The positive market tone continued during May with good activity in the primary market. All economic indicators clearly indicate that 2021 will be a year of strong global economic growth. There is concern that rising commodity prices, low inventory levels and sub-contractor bottlenecks, including transport, risk triggering an increase in inflation that will force central banks to raise interest rates to defend their inflation targets. However, inflation concerns have not really taken hold and long-term market rates were virtually unchanged across all maturities. Central banks also remain idle, signaling unchanged policy rates for the foreseeable future.

The majority of Q1 earnings reports came in better than expected. Cost savings have borne fruit, sales are increasing and at the same time order intake has started to accelerated.

We invested in several new holdings during the period. We invested in a bond issued by the Swedish real estate company Besqab. Besqab develops residential properties mainly in Stockholm and Uppsala. Besqab is a new issuer on the market; the company issued a bond with a three-year maturity and an interest rate of 3-months

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
1.1	0.8	0.7	0.9	0.3	
Jul	Aug	Sep	Oct	Nov	Dec

Stibor + 5.25 per cent.

We also participated in an issue by Finnish Aktia, one of Finland's largest banks and asset managers. They issued a so-called At1 bond, subordinated capital, with an interest rate of 3.875 per cent and the possibility of redemption in 5 years.

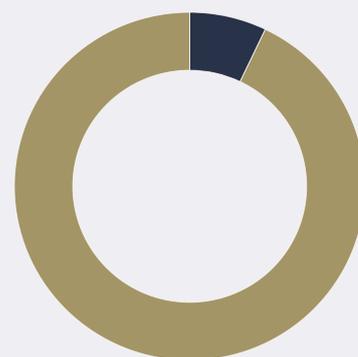
During the period, we extended our holding in Norwegian Norlandia. Norlandia is a welfare services group where approximately 65 per cent of revenues are attributed to the stable preschool operations. The company's bond financing expires this June and therefore they issued a new bond with a four year maturity. The bond has an interest rate of 3-months Stibor + 5.75 per cent.

We divested in its entirety our holding in the financial group Catella. We assessed the company's new form - reduced fund operations and increased investments in real estate - will lead to increased volatility in their accounts and we do not think the bond returns take into consideration the increased uncertainty. We also divested our holding in Strömman, whose operations have largely been closed due to the pandemic. Even though the company has successfully worked with cost controls and other adjustments, we believe that there is a high risk that the slightest delay in the easing of restrictions will have major negative consequences given the company is very dependent on the summer season. We also reduced our holding in Cambio, which has traded up and we see limited additional potential.

We maintained the fund's structure during the month. The credit duration, the average maturity of all holdings in the fund, and the interest rate duration, measured as the average fixed interest period, were essentially unchanged during the period.

The rate of return is currently about 5.1 per cent before fees given interest rates remain unchanged.

Credit rating distribution



	Credit scoring securities	% of the fund
Investment grade	AAA	0.0
	AA+/AA/AA-	0
	A+/A/A-	0.0
	BBB+/BBB/BBB-	6.3
High yield	BB+/BB/BB-	26.4
	B+/B/B-	54.8
	CCC/CC/C	1.6
Default	D	0.0
Cash/other		10.7

The share of the fund with an official credit rating amounted to 23.5 per cent.

10 largest holdings

Holding	% of the fund
Intrum	2.8
SEB	2.7
Color Group	2.7
Ocean Yield	2.5
Jacob Holm & Sonner	2.2
DLF Seeds	2.2
FNG Nordic	2.2
Wallenius Wilhelmsen	2.2
Teekay LNG Partners	2.1
Momox Holding	2.1
Total 10 largest issuers	23.5
Cash	10.7
Total number of issuers	57

Major changes during the month

Buy

Aktia
Besqab
Norlandia

Sell

Cambio
Catella
Strömman

Risk and reward profile

Lower risk Higher risk



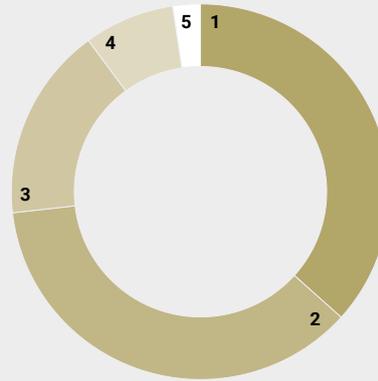
Financial ratios

	Lannebo High Yield
Total risk (%)	12.7
Interest-rate duration (years)	0.8
Credit duration (years)	2.8
Portfolio turnover ratio (12/31/20)	0.6

Maturity profile

	% of the fund
< 1 year	15
1-3 years	35
3-5 years	49
> 5 years	0

Country allocation



#	Country	% of the fund
1	Sweden	32.7
2	Norway	32.6
3	Denmark	14.9
4	Finland	6.9
5	Germany	2.1
6	Cash	10.7

Fund facts

Fund manager	Karin Haraldsson & Katarina Ponsbach Carlsson
Launch date	01/30/15
NAV per unit (SEK)	119.94
Fund size (SEKm)	918
Management fee	0.90%
Bankgiro	584-9369
ISIN	SE0006421855
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300XRFONRDKE3IM10

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 a higher return than traditional fixed income funds and who are willing to take on a slightly higher risk.
- Want an actively managed fund where a thorough company analysis creates long-term returns.
- Want a well-diversified fund of corporate bonds.

The fund's investment policy

Lannebo High Yield is an actively managed fixed income fund that primarily invests in High Yield corporate bonds predominantly from issuers in the Nordic region. High Yield bonds are securities issued by companies with a lower credit rating. The average maturity of the fund's holdings is 3-5 years, but may at times deviate from this range. Investments in foreign currency are always hedged.

Explanations

Total risk Given as the standard deviation of variations in the total return of the fund.

Interest-rate duration Weighted average life.

All financial ratios are calculated according to guidelines of the Swedish Investment Fund Association.

Credit duration

Weighted average maturity.



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