

# Lannebo Teknik

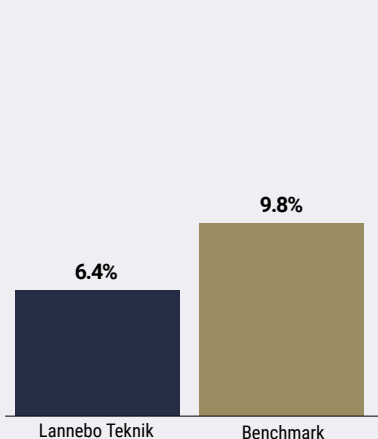
Swedish-registered equity fund

Monthly report June 2021

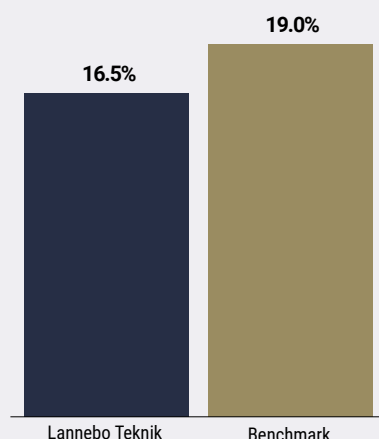
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	<b>Jun 2021</b>	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021
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## Monthly performance



## Performance YTD



Johan Nilke and Helen Broman

## Performance

Performance, %	Lannebo Teknik	Benchmark
June 2021	6.4	9.8
Year-to-date 2021	16.5	19.0
3 years	87.7	95.9
5 years	201.8	252.5
10 years	653.1	703.2
Since launch (08/04/00)	61.8	190.5
Average annual return 24 months	31.2	29.2
2020 <sup>1</sup>	29.5	23.0
2019 <sup>1</sup>	40.6	50.8
2018 <sup>1</sup>	7.3	6.1
2017 <sup>1</sup>	16.3	24.2
2016 <sup>1</sup>	10.7	20.2

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

## Component shortages hamper growth

Companies fly around the world and hoard processors

A news-vacuum can occur in anticipation of Q2 earnings releases, witnessed in a rather news-poor June. Inflation remained at a high level, primarily in the US. However, the market interpreted this as mainly due to low comparative figures from last year and as such would not be sustained. As a result, market interest rates fell during the month, which favored growth shares.

Coronavirus restrictions continued to differ between countries. The US opened up so much that my brother-in-law travelled to his hometown of Chicago to watch a fans-packed baseball game. At the same time, several states in Australia are shutting down due to the wide spread of the coronavirus delta variant. We also see vast differences in the vaccination rate between countries, where, for example, in Africa only a few per cent of the population have received a first injection, while the corresponding figure in the EU is approaching 50 per cent.

The lack of components continues to be a reality in the semiconductor industry, while at the same time there is significant demand for computing power in, among others, cloud services and the automotive industry. Companies are flying around the world and hoarding processors, while in parallel a secondary market has emerged whereby algorithms buy components as soon as they are

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
0.8	2.6	4.0	2.4	-0.5	6.4
Jul	Aug	Sep	Oct	Nov	Dec

released to market to then re-sell on Ebay at twice the price. We are also beginning to see how this hampers growth for some companies when, due to the lack of components, they are unable to deliver in line with demand.

Microsoft was the fund's best positive contributor to performance during the month. During Microsoft's developer conference Build 2021 at the end of May, the company announced they would continue to capitalize on the collaboration tool Teams. The service has been a success during the pandemic, which now has 145 million daily active users. The company also suggested that there may be a new version of Windows where Teams would be further integrated.

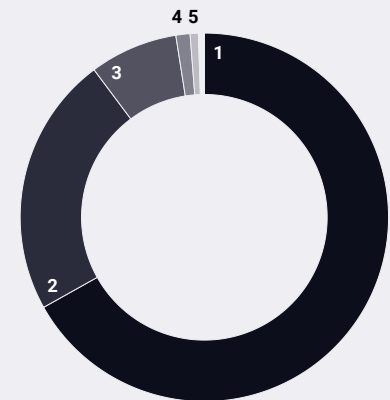
The company continued to deliver on its strategy to be more open and developer-friendly - not least in the cloud service Azure; Microsoft has a favorable position to capture market share as more and more companies move their legacy data solutions to hybrid cloud solutions with a combination of their own servers and public data centers. It is impressive that the world's largest software company, founded in 1975, is still so innovative.

Swedish Sinch had a tough June. At the end of April, the company released an earnings report that was perceived by the market as weak. The share then recovered in May, and fell back again in June. Among other things, there is concern regarding growth in the acquired company SDI, while at the same time Sinch completed another major acquisition, MessageMedia, in early June. Although we would have liked to see stronger development in SDI, we know there can be fluctuations between quarters. Further, we consider MessageMedia fills several gaps in Sinch's product range, which will allow the company to target new customer groups and challenge its competitor Twilio.

American Autodesk is a new holding. The company, which is based in California, develops 3D software for the design and construction of, for example, buildings and machinery. We assess Autodesk has the opportunity to achieve higher growth than what the market has currently priced in given, for example, infrastructure projects, design changes due to component shortages and the continued digitalization of the construction industry.

We decreased our holding in Citrix as we see some weaknesses following the pandemic, combined with increasingly tough competition. We also continued to bring home profits in Nvidia after the strong share price development, along with growing concerns that component shortages could have a negative impact on earnings in the coming quarters.

## Sector allocation



#	Sector	% of the fund
1.	Information technology	64.8
2.	Communication services	22.2
3.	Consumer discretionary	7.5
4.	Health care	1.2
5.	Industrials	0.7
6.	Financials	0.5
	Cash	3.2

## 10 largest holdings

Holding	% of the fund
Microsoft	8.9
Alphabet	7.5
Amazon.com	6.0
Apple	5.6
Salesforce.com	4.4
Palo Alto Networks	3.9
Adobe	3.9
Facebook	3.7
MicroChip Technology	3.7
Intuit	3.6
<b>Total 10 largest holdings</b>	<b>51.2</b>
Cash	3.2
<b>Total number of holdings</b>	<b>35</b>

## Major changes during the month

Buy

Autodesk

Sell

Citrix

Microsoft

Nvidia

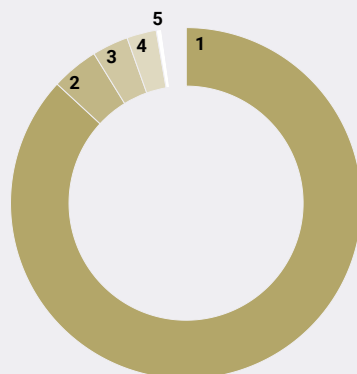
## Risk and reward profile

Lower risk							Higher risk
1	2	3	4	5	6	7	

## Financial ratios

	Lannebo Teknik	Benchmark
Sharpe ratio	1.8	1.6
Total risk (%)	16.4	16.9
Tracking error	7.4	
Information ratio	0.3	
Alpha	0.4	
Beta	0.9	
Portfolio turnover ratio (06/30/21)	0.2	

## Geographical split



#	Country	% of the fund
1	North America	86.0
2	Sweden	4.3
3	Asia	3.3
4	Europe, excl. Sweden	2.7
5	Africa	0.5
6	Cash	3.2

## Fund facts

Fund manager	<b>Johan Nilke &amp; Helen Broman</b>
Launch date	<b>08/04/00</b>
NAV per unit (SEK)	<b>15.24</b>
Fund size (SEKm)	<b>7,777</b>
Management fee (%)	<b>1.6</b>
Bankgiro	<b>5563-4638</b>
ISIN	<b>SE0000740672</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
PPM number	<b>771 030</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>549300Y3UW5Y5DPJS002</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 global exposure to growth companies primarily in the technology sector.
- Believe in active management and investments based on a clear understanding of each individual company.

## The fund's investment policy

Lannebo Teknik is an actively managed equity fund that invests globally in equities in companies with a high content of technology, but can operate in different lines of business. Since the sector is dominated by US companies, most of the fund's assets are normally invested in the US.

## Explanations

**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.

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

## Benchmark

\* MSCI World IT 10/40 Net Total Return Index calculated in SEK. 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.

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**Lannebo Fonder AB**  
Postal address: Box 7854, 103 99 Stockholm  
Visiting address: Kungsgatan 5



Phone: +46 (0)8-562 252 00  
Customer serv: +46(0)8-562 252 22



E-mail: [info@lannebo.se](mailto:info@lannebo.se)  
Website: [lannebo.com](http://lannebo.com)  
Registration no: 556584-7042

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