

# Lannebo Sverige Hållbar

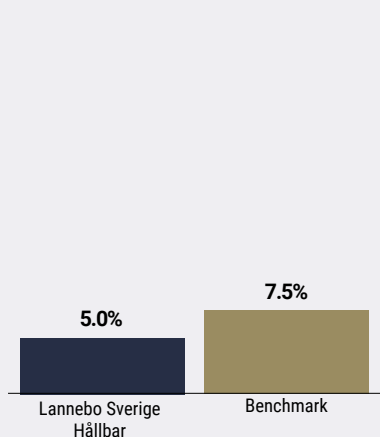
Swedish-registered equity fund

Monthly report July 2021

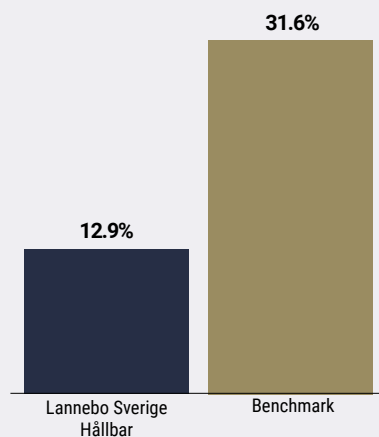
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	<b>Jul 2021</b>	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>
July 2021	5.0	7.5
Year-to-date 2021	12.9	31.6
3 years	71.3	79.8
5 years	109.9	130.2
10 years	285.5	307.5
Since launch (01/10/10)	275.9	315.8
Average annual return 24 months	23.6	29.8
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 Swedish summertime stock market Invested in Inwido

The Stockholm Stock Exchange continued to climb during July - driven by strong company earnings releases - and was among the best performing stock market globally this year. The other Nordic stock exchanges also showed gains, while it was significantly slower elsewhere in the world. Asian stock markets fell in part as a result of various, newly imposed, Chinese restrictions on leading technology and education companies.

The Q2 earnings season kicked-off and we can conclude the trend of earnings exceeding expectations continued this quarter as well, confirming the global economy continues to improve. The US and Swedish economies have already entirely recovered from the downturn that followed in the wake of the corona pandemic. However, a major difference between these economies is that Sweden managed the recovery with a budget deficit of only 3 per cent of GDP, compared to the US where the deficit resulted in an incomprehensible 16 per cent of GDP.

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-1,4	-1,2	6,3	2,7	1,4	-0,3
Jul	Aug	Sep	Okt	Nov	Dec
5.0					

The most significant positive surprises were earnings results from banks, arising from their being able to free-up credit loss provisions related to the corona pandemic. The effects of the pandemic on the Swedish economy are much milder and more short-lived than feared, so the decision is a logical outcome.

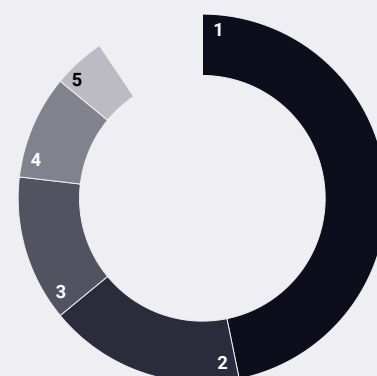
Exposure to commodity prices was the meaningful dividing line in the quarter. The vast majority of raw material prices increased sharply during the year, with raw material producers being winners, together with companies that could quickly compensate with substantial product price increases. The losers are companies that are large consumers of raw materials, such as Essity and Electrolux, that usually require more time to restore profit margins.

Thule was a holding that continued its fantastically strong development - supported by a generally increased interest in the outdoors - that received an extra boost during the pandemic. Sales increased almost 70 per cent over the past year. Alfa Laval benefits from its exposure to renewable energy, water purification and food safety and, as such, the company was able to report an order backlog that had increased by 19 per cent since the beginning of the year. The Finnish sauna manufacturer Harvia once again released a positive earnings surprise for a third consecutive quarter and the share price continued to climb.

Financial markets have so-far continued to disregard the rise in inflation this year, expecting it to be only a temporary inflationary impulse. This is apparent not least in the fixed income market, where long-term market rates fell - despite the rise in inflation. The increased spread of the delta variant has not either left any mark on financial markets. Economic optimism remains high and widespread among companies, politicians and managers.

We executed relatively few share transactions during July. The only significant purchase was made in the window manufacturer Inwido, which once again delivered strong quarterly earnings; however, we do not consider the valuation fully reflects the company's strong performance. The largest divestments were made in Sandvik, Scatec and Balco. Uncertainties surrounding the Norwegian renewable energy company Scatec increased after the release of another poor earnings quarter, which confirms the conception that profitability is affected by increased competitive pressure in the sector.

## Sector allocation



#	Sector	% of the fund
1.	Industrials	46.7
2.	Consumer discretionary	17.2
3.	Health care	12.8
4.	Energy	9.1
5.	Consumer staples	4.6
6.	Materials	2.1
	Cash	7.3

## 10 largest holdings

Holding	% of the fund
AstraZeneca	6.4
Atlas Copco B	5.4
Instalco	4.9
AFRY B	4.7
Thule	4.7
Essity B	4.6
SKF B	4.5
NIBE Industrier B	4.4
Bravida	3.6
Inwido	3.5
<b>Total 10 largest holdings</b>	<b>46.7</b>
Cash	7.3
Total number of holdings	31

## Major changes during the month

### Buy

Inwido

### Sell

Sandvik

Scatec

Balco

## 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	1.2	1.6
Total risk (%)	20.5	17.9
Tracking error	7.3	
Information ratio	-0.8	
Alpha	-0.5	
Beta	1.1	
Active share (%)	82	
Portfolio turnover ratio (06/30/21)	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>2 511.72</b>
Fund size (SEKm)	<b>2,159</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 July 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 July 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.

