

# Lannebo Teknik

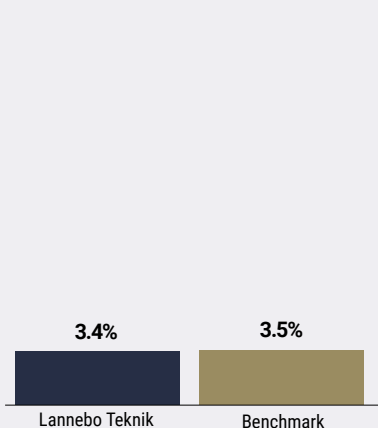
Swedish-registered equity fund

Monthly report July 2021

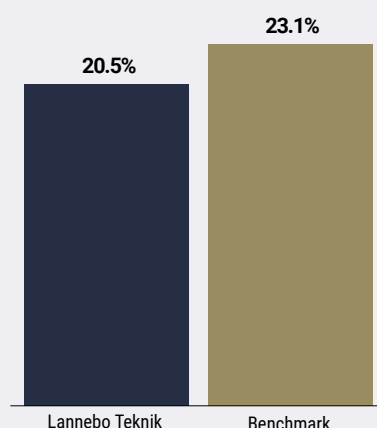
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	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
July 2021	3.4	3.5
Year-to-date 2021	20.5	23.1
3 years	95.8	102.9
5 years	191.9	234.1
10 years	667.6	733.3
Since launch (08/04/00)	67.3	200.7
Average annual return 24 months	29.1	27.8
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.

## Tailwinds for the technology sector

### Advertising boom for YouTube

High activity and positivity dominated quarterly earnings in July. Continued cost controls combined with positive sales growth yielded strong earnings generally - not least in the technology sector, which was one of the month's strongest sectors.

At the same time there are some clouds of concern, both in terms of weather and macroeconomics. Floods and extreme heat hit areas of Europe. Economically, inflation rates are high, including Germany. However, market interest rates continued to fall. This is an unusual mix and is explained by the market's view the inflation is temporary and due to the pandemic. Component shortages continue to be an issue; however, we understand this could come back into balance soon - at least within semiconductors.

Asian stock markets had a tough month following reports China plans to impose more regulations to limit the influence of private companies. Among other things, a leaked document indicated China wants to limit the possibility for private education companies to make a profit and raise capital. The state also continued to crack down on technology companies, and at the end of July more than two dozen tech-companies were ordered to review problems with, for example, data security.

## 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
3.4					

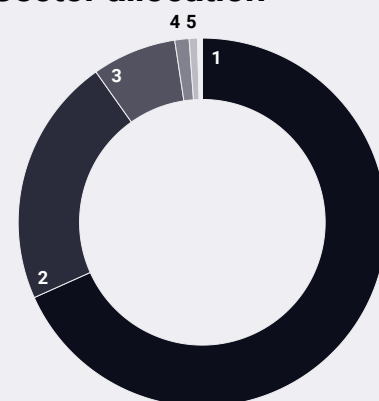
Alphabet accounted for the largest positive contribution to performance in July following an earnings report that disclosed advertising revenues grew by 69 per cent. The majority of advertising revenues came from retail and travel ads, but YouTube also had a fantastic quarter with an 84 per cent increase in advertising revenues. Cloud services grew by 54 per cent, but where the margin surprised most positively. We are very positive to the company's broad investments in the integration of e-commerce as an integral component of several services.

Sinch made the second largest positive contribution to performance in July following an earnings report that beat market expectations. Gross profit, which is more accurate to use than turnover, increased organically by 32 per cent. It was also positive that growth was broader – attributable to multiple products and customer groups – than in previous quarters.

During the month, Canadian Magna International made a public takeover bid for Veoneer. The offer was at a 57 per cent bid premium and the Veoneer board has supported the offer. We are still evaluating the bid.

Gaming companies Activision Blizzard and Nintendo were the biggest negative contributors to performance during the month. American Activision Blizzard was sued by the state of California for, among other things, harassment of women and unequal pay. Employees were also highly critical of the corporate culture and, therefore, to draw attention to the matter planned a strike. We take these accusations very seriously, not least because of the people-aspect of the claims being completely unacceptable, but also because we believe corporate culture and management are very important for the success of a company. As a result, we divested half the holding and are currently evaluating how we should respond to the company's corrective measures and whether we as owners can influence development. Japanese Nintendo's share price was negatively affected by uncertainty regarding the timing of the release of Switch Pro and Zelda. There is also general uncertainty surrounding the effects of fewer restrictions on the growth of gaming companies.

## Sector allocation



#	Sector	% of the fund
1.	Information technology	65.5
2.	Communication services	21.0
3.	Consumer discretionary	7.1
4.	Health care	1.2
5.	Industrials	0.7
6.	Financials	0.4
	Cash	4.1

## 10 largest holdings

Holding	% of the fund
Microsoft	9.1
Alphabet Class A	6.4
Apple	5.8
Amazon.com	5.7
Salesforce.com	4.2
Palo Alto Networks	4.0
Adobe	4.0
Advanced Micro Devices	3.8
Intuit	3.7
Facebook	3.7
<b>Total 10 largest holdings</b>	<b>50.6</b>
Cash	4.1
<b>Total number of holdings</b>	<b>36</b>

## Major changes during the month

Buy

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Sell

Activision Blizzard

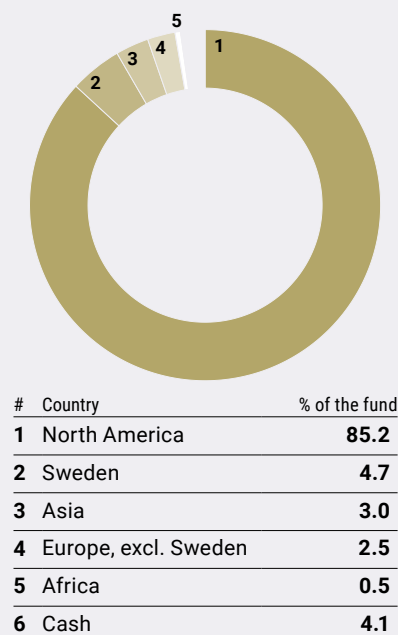
## Risk and reward profile

Lower risk			Higher risk		
1	2	3	4	5	6

## Financial ratios

	Lannebo Teknik	Benchmark
Sharpe ratio	1.7	1.6
Total risk (%)	16.1	16.7
Tracking error	7.4	
Information ratio	0.2	
Alpha	0.4	
Beta	0.9	
Portfolio turnover ratio (06/30/21)	0.2	

## Geographical split



## Fund facts

Fund manager	<b>Johan Nilke &amp; Helen Broman</b>
Launch date	<b>08/04/00</b>
NAV per unit (SEK)	<b>15.76</b>
Fund size (SEKm)	<b>8,061</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 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.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.

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## 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**