

**LANNEBO**

# Lannebo Småbolag

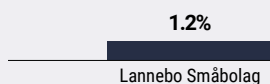
Swedish-registered equity fund, EUR

Monthly report August 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	<b>Aug 2021</b>	Sep 2021	Oct 2021	Nov 2021	Dec 2021
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## Monthly performance



## Performance YTD

22.3%

Lannebo Småbolag



Per Trygg, Johan Ståhl, Hjalmar Ek

## Performance

Performance. %	Lannebo Småbolag
August 2021	1.2
Year-to-date 2021	22.3
3 years	87.3
5 years <sup>1</sup>	116.2
10 years <sup>1</sup>	471.7
Since launch (08/04/00) <sup>1</sup>	1 766.2
Average annual return 24 months	33.9
2020 <sup>2</sup>	22.6
2019 <sup>2</sup>	36.3
2018 <sup>2</sup>	-4.8
2017 <sup>2</sup>	9.8
2016 <sup>2</sup>	5.1

<sup>1</sup> Performance of the fund before start of the asset class (05/02/16) is simulated from the SEK-asset class.

<sup>2</sup> The performance is based on closing prices.

## Equity market turns tranquil as earnings come into focus

### Increasing logistics costs evident in earnings releases

Pandemic concerns were once again apparent in August as infection rates increased in several parts of the world. We estimate, as before, that an increased proportion of vaccinated people will outweigh the proportion of the seriously ill, even though new virus variants are of course a factor of uncertainty. Market interest rates generally increased somewhat during the month and there is much to suggest that the US Fed's support purchases of bonds will begin to taper off at some point in the second half of 2021 - which was also communicated at the long-awaited Jackson Hole conference for the heads of central banks. With that said, there is a long way to go before interest rates, in a historical context, can be described as normal.

A number of Q2 earnings reports stood out in a positive light. The industrial group Beijer Alma generated an extremely strong order intake - even higher than net sales. Profitability was at a good level and the company made several growth-enhancing acquisitions in recent months. Beijer Alma also has a strong balance sheet which allows for additional acquisitions. The shares increased 5 per cent.

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-1.9	0.7	4.1	7.8	0.9	-0.6
Jul	Aug	Sep	Oct	Nov	Dec
8.7	1.2				

The Finnish healthcare company Terveystalo also released an earnings report that disclosed both increasing margins and sales growth. The company is a market-leader in Finland and, through the ongoing acquisition of Swedish Feelgood, Terveystalo will have a bridgehead to grow in the Swedish market. The share price increased 8 per cent.

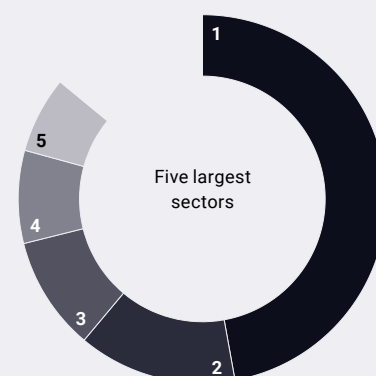
The best holding of the month, however, was the medical technology company AddLife. The company has benefited from good demand for several of its product categories, together with the completion of two major acquisitions that broaden the product portfolio and expand its geographical presence. The AddLife share price increased 21 per cent. The pharmaceutical company Sobi also performed positively during the month due to bid rumors that led to a share price increase of 12 per cent. A formal bid was made September 2, which lifted the shares further.

On the negative side, medical technology company Elekta's profitability was affected by high logistics costs. Elekta is probably to some extent exceptionally hard hit due to the long lead time from order to delivery together with products being bulky. However, it is worth noting that Elekta has a broken financial year and as such also reported July earnings. An interpretation of the result is therefore that other listed companies will see a greater impact from higher logistics costs going forward. Elekta's share price fell 13 per cent.

The ventilation company Systemair also has a broken financial year - May-April - and as such the company released Q1 earnings during the month. At the end of the quarter, Systemair faced challenges in the form of component shortages, which delayed certain deliveries that negatively affected profitability. However, Systemair's share price increased 6 per cent.

Vitec and Addnode are both new investments. The respective companies' have a strategy to acquire small, niche software companies and reinvest cash flow. Historically, Vitec and Addnode have generated stable profit growth, which we foresee going forward. The holding in the real estate company Nyfosa was increased as the valuation in relation to the company's cash flow generation continues to appear attractive. The holding in Ambea was divested and the holdings in Sobi and Lindab were reduced.

## Sector allocation



#	Sector	% of the fund
1.	Industrials	45.7
2.	Health care	13.5
3.	Consumer discretionary	9.7
4.	Real estate	7.9
5.	Materials	6.5
6.	Information technology	5.9
7.	Communication services	4.6
8.	Financials	3.1
	Cash	3.0

## 10 largest holdings

Holding	% of the fund
Addtech B	5.4
Trelleborg B	4.9
Nolato B	4.7
Securitas B	4.5
Huhtamäki	4.0
Bravida	3.4
Lindab	3.2
Castellum	3.2
NENT B	2.9
Hexpol B	2.9
<b>Total 10 largest holdings</b>	<b>39.2</b>
Cash	3.0
Total number of holdings	57

## Major changes during the month

### Buy

Vitec  
Addnode  
Nyfosa

### Sell

Ambea  
Sobi  
Lindab

## Risk and reward profile

Lower risk							Higher risk	
1	2	3	4	5	6	7		

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

	Lannebo Småbolag	Benchmark
Sharpe ratio	1.2	1.5
Total risk (%)	28.5	25.3
Tracking error	5.8	
Information ratio	-1.0	
Alpha	-0.6	
Beta	1.1	
Active share (%)	67	
Portfolio turnover ratio (06/30/21)	0.2	

<sup>1</sup> Financial ratios of the fund before start of the asset class (05/02/16) is simulated from the SEK-asset class.

## Fund facts

Fund manager	Per Trygg, Johan Ståhl, Hjalmar Ek
Launch date	08/04/00
NAV per unit (EUR)	229.27
Fund size (EURm)	3,586
Management fee (%)	1.6
Bankgiro	5563-4620
ISIN	SE0008040885
Trading frequency	Daily
Minimum investment amount	EUR 100
Supervisory authority	Finansinspektionen
LEI	549300JC5787N3394631

## Risk information

Past returns are no guarantee of future returns. The money invested in the fund August 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 to invest in small and medium-sized companies listed on the Swedish and other Nordic stock markets.
- Want an actively managed fund with investments based on a clear understanding of each individual company.

## The fund's investment policy

Lannebo Småbolag is an actively managed equity fund that invests in small and medium sized enterprises listed in the Nordic region, primarily in Sweden. The fund invests in companies with a market capitalisation amounting to a maximum of 1 per cent of the total Swedish market capitalisation. At the end of the mid-year 2021, this meant a market capitalisation of around EUR 106 billion.

## Explanations

**Benchmark** Carnegie Small Cap Sweden 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.



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