



Lannebo Sverige

Swedish-registered equity fund

Monthly report August 2021

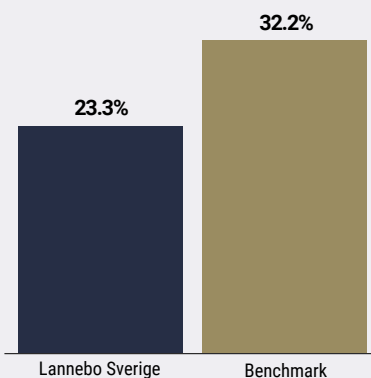
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021
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Monthly performance



Performance YTD



Martin Wallin & Robin Nestor

The Veoneer bid was raised while rumors swirl around Sobi

Increasing challenges once again for component supplies

During August, the equity market as a whole, measured as SIXPRX, came off the rally witnessed so-far this year. Returns for each of the past eight months have been positive. A number of the quarterly earnings reports released during the month disclosed intensified challenges in logistics and component supply. High costs, sea freight delivery issues and continued semiconductor supply deficits led to lower profitability or more expensive products. Increased Inflation, which started at the end of 2020, is now seeping into pricing contracts and is gradually taking hold throughout the entire value chain.

For the better part of three years, falling interest rates and continued central bank stimulus have created large valuation discrepancies and stigmatized some companies. Industrial companies, for example, with historically more stable profitability and slightly better profit growth have been valued substantially up by the market. In recent months, this has been exacerbated by increased concerns over declining industrial production. There are now two clear groups where Alfa Laval, ABB, Atlas Copco and Assa

Performance

Performance, %	Lannebo Sverige	Benchmark
August 2021	-1.4	0.5
Year-to-date 2021	23.3	32.2
3 years	47.8	76.2
5 years	90.3	125.7
10 years	290.4	358.8
Since launch (08/04/00)	659.5	574.7
Average annual return 24 months	22.5	30.9
2020 ¹	10.4	14.8
2019 ¹	21.9	35.0
2018 ¹	-1.2	-4.4
2017 ¹	7.4	9.5
2016 ¹	11.0	9.6

¹ The performance is based on closing prices.

Monthly performance,%

Jan	Feb	Mar	Apr	May	Jun
5.0	2.9	7.5	2.3	1.0	0.8
Jul	Aug	Sep	Oct	Nov	Dec
3.4	-1.4				

Abloy are valued significantly higher than their 10-year average, while SKF, Sandvik, Trelleborg and Volvo are traded at the same or even below their valuation for the same comparison period.

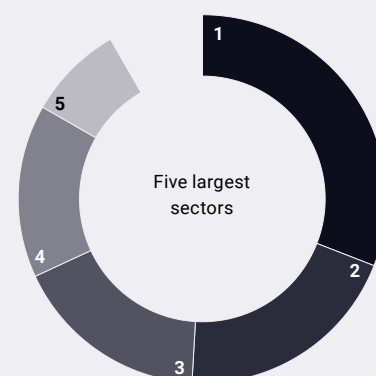
Veoneer and SOBI developed better than the market as a whole with share price increases of 16 and 12 per cent, respectively. Qualcomm made a cash offer for Veoneer, corresponding to approximately SEK 320 per share, thereby exceeding the Canadian car supplier Magna International's previous bid of SEK 270. We deem the latest bid as more acceptable, even though we consider the value of the company to be higher when considering a more stable vehicle market some years ahead. However, we believe further bid increases to be less likely.

It was rumored, according to Bloomberg News, that the American venture capital company Advent International, together with a consortium, considered a bid on Sobi. The share price increase caused by the speculations tapered off when no bids were received and no comments were given from the respective companies. However, an offer was submitted after the end of the month, on September 2nd, which we will comment in next month's report.

Elekta and Autoliv developed poorly in August, decreasing 14 and 11 per cent, respectively. Elekta reported weak Q1 earnings for the financial year. Costs were high, even though order intake and sales were ok. The cost of goods sold, administrative expenses and R&D were all higher than expected. The gross margin was pressured significantly due to component shortages, higher percentage of air freight and higher installation costs. The company deems the majority of the cost increases as temporary and can be attributed to external factors that are transient.

Autoliv is facing headwinds with customers shutting down production at short notice, together with rising raw material costs. Autoliv has historically proven to be skilled at managing costs and volatile demand, but the company is, of course, negatively affected by the current market situation. Consumer demand for cars appears to remain good with more and better alternatives in terms of battery, internal combustion engines or a combination thereof. Autoliv has good growth prospects and an attractive company valuation once the semiconductor shortage subsides.

Sector allocation



#	Sector	% of the fund
1.	Industrials	30.9
2.	Financials	20.0
3.	Information technology	17.2
4.	Consumer discretionary	15.2
5.	Health care	8.4
6.	Communication services	3.2
7.	Consumer staples	3.0
	Cash	2.1

10 largest holdings

Holding	% of the fund
Ericsson B	7.6
SEB A	6.6
Nokia SEK	6.2
H&M B	6.1
Trelleborg B	5.8
Nordea	5.7
SKF B	4.7
Volvo B	4.7
Swedbank A	4.5
Autoliv SDB	4.0
Total 10 largest holdings	55.9
Cash	2.1
Total number of holdings	27

Major changes during the month

Buy

Tobii
Sandvik
Ericsson

Sell

Veoneer
Hexpol
Tele2

Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

Financial ratios

	Lannebo Sverige	Benchmark
Sharpe ratio	1.0	1.6
Total risk (%)	22.1	17.8
Tracking error	7.6	
Information ratio	-1.1	
Alpha	-0.9	
Beta	1.2	
Active share	74	
Portfolio turnover ratio (06/30/21)	1.5	

Fund facts

Fund manager	Martin Wallin & Robin Nestor
Launch date	08/04/00
NAV per unit (SEK)	57.17
Fund size (SEKm)	3,453
Management fee (%)	1.6
Bankgiro	5563-4604
ISIN	SE0000740680
Trading frequency	Daily
Minimum investment amount	SEK 100
PPM number	806 869
Supervisory authority	Finansinspektionen
LEI	549300GJSC541WIWX079

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. 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 take part in developments on the Swedish equity market.
- Want an actively managed fund with investments based on a clear understanding of each individual company.

The fund's investment policy

Lannebo Sverige is an actively managed equity fund that invests in shares on the Swedish equity market.

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 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.

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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