

Lannebo High Yield

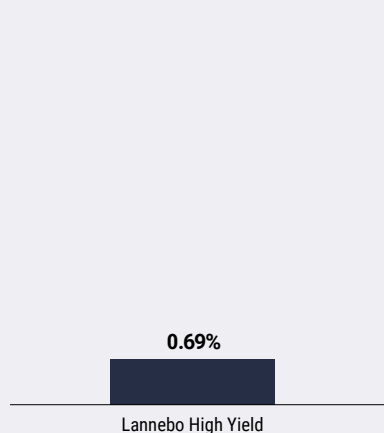
Swedish-registered fixed income fund

Monthly report August 2021

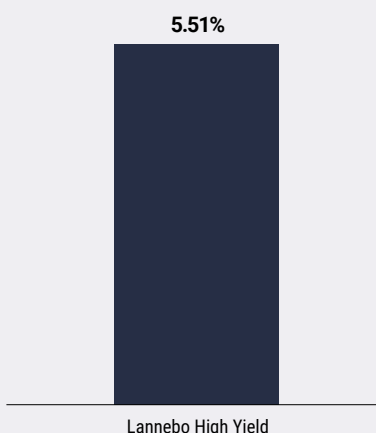
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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



Katarina Ponsbach Carlsson & Karin Haraldsson

Performance

Performance (%)	Lannebo High Yield
August 2021	0.7
Year-to-date 2021	5.5
3 years	6.0
5 years	15.5
Since launch (01/30/15)	21.9
Average annual return 24 months	1.4
2020 ¹	-3.8
2019 ¹	5.0
2018 ¹	1.0
2017 ¹	5.1
2016 ¹	5.6

¹ The performance is based on closing prices.

Tail winds for previous pandemic losers

Several holdings soon to be acquired

The credit market opened on a positive note following the summer break, with the primary market starting for real at the end of the month. The market continued to develop positively, driven by expansive central bank policies and inflows to corporate bond funds. We did not invest in any new holdings during the period.

The Q2 earnings season came to an end during the period and we can confirm the trend where earnings exceeded expectations continued during this quarter as well. Rising commodity prices and shipping costs, in addition to a lack of components such as semiconductors, have, to some extent, squeezed margins for some companies. The global economy continues to improve and the Swedish economy has recovered the entire downturn that followed in the wake of the coronavirus-pandemic.

We have sensed a trend where some companies that have been clear pandemic winners are now reversing somewhat. For example, Swedish affordable wall art company Desenio issued a profit warning prior to the release of their earnings report. The company had lower than expected growth; however, even if we assume zero growth through to maturity, the company will reduce its

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
1.1	0.8	0.7	0.9	0.3	0.4
Jul	Aug	Sep	Oct	Nov	Dec
0.5	0.7				

indebtedness and should have no problems refinancing itself. This scenario is more negative than what the company itself foresees and, as such, we are confident in our investment.

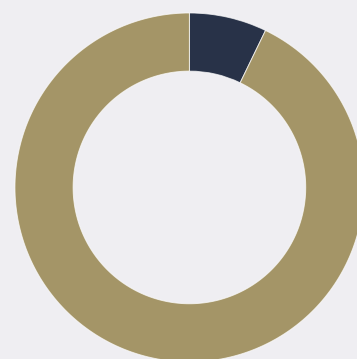
On the other end of the spectrum are companies that were pandemic-losers that are now returning with force. For example, clothing company PWT, which was forced to reconstruct in 2020, released a strong earnings report that included a bottom line profit. Following the restructuring, the company has had strong cash flows allowing for a replenishment to equity; the company closes out the first half of the year with nearly DKK 100 million in cash. This is of course very positive for us as bondholders, and thanks to negotiations during the restructuring, we also own a convertible that provides an upside on the equity side as well.

Several of our holdings are under acquisition, including the IT company Hoist Group, which is being acquired by a consortium led by the PE company Advent International. The transaction is expected to be completed during Q4, and includes the redemption of the bond.

We maintained the fund's structure. The credit duration, the average maturity of all holdings in the fund, and the interest rate duration, measured as the average fixed interest period, were in principle unchanged during the period. We maintain a low interest rate duration to protect the fund against rising long-term interest rates.

The rate of return is currently approximately 4.7 per cent before fees, assuming interest rate remain unchanged.

Credit rating distribution



	Credit scoring securities	% of the fund
Investment grade	AAA	0.0
	AA+/AA/AA-	0
	A+/A/A-	0.0
	BBB+/BBB/BBB-	6.1
High yield	BB+/BB/BB-	22.6
	B+/B/B-	54.4
	CCC/CC/C	1.6
Default	D	0.0
Cash/other		15.3

The share of the fund with an official credit rating amounted to 27.3 per cent.

10 largest holdings

Holding	% of the fund
SEB	2.6
Intrum	2.6
Color Group	2.5
Ocean Yield	2.3
Jacob Holm & Sonner	2.1
DLF Seeds	2.0
FNG Nordic	2.0
Wallenius Wilhelmsen	2.0
Momox Holding GmbH	1.9
Teekay Lng Partners L.P	1.9
Total 10 largest issuers	22.0
Cash	15.3
Total number of issuers	60

Major changes during the month

Buy

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Sell

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Risk and reward profile



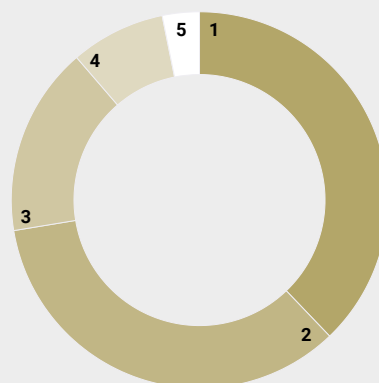
Financial ratios

	Lannebo High Yield
Total risk (%)	12.7
Interest-rate duration (years)	0.6
Credit duration (years)	2.6
Portfolio turnover ratio (06/30/21)	0.5

Maturity profile

	% of the fund
< 1 year	20
1-3 years	34
3-5 years	46
> 5 years	1

Country allocation



#	Country	% of the fund
1	Sweden	32.1
2	Norway	29.3
3	Denmark	13.8
4	Finland	6.9
5	Germany	2.7
6	Cash	15.3

Fund facts

Fund manager	Karin Haraldsson & Katarina Ponsbach Carlsson
Launch date	01/30/15
NAV per unit (SEK)	121.88
Fund size (SEKm)	998
Management fee	0.90%
Bankgiro	584-9369
ISIN	SE0006421855
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300XRFONRDKE3IM10

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 a higher return than traditional fixed income funds and who are willing to take on a slightly higher risk.
- Want an actively managed fund where a thorough company analysis creates long-term returns.
- Want a well-diversified fund of corporate bonds.

The fund's investment policy

Lannebo High Yield is an actively managed fixed income fund that primarily invests in High Yield corporate bonds predominantly from issuers in the Nordic region. High Yield bonds are securities issued by companies with a lower credit rating. The average maturity of the fund's holdings is 3-5 years, but August at times deviate from this range. Investments in foreign currency are always hedged.

Explanations

Total risk Given as the standard deviation of variations in the total return of the fund.

Interest-rate duration Weighted average life.

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

Credit duration

Weighted average maturity.



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