

# Lannebo Corporate Bond

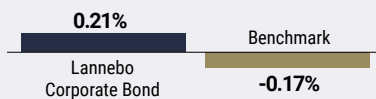
Swedish-registered fixed income fund, SEK

Monthly report September 2021

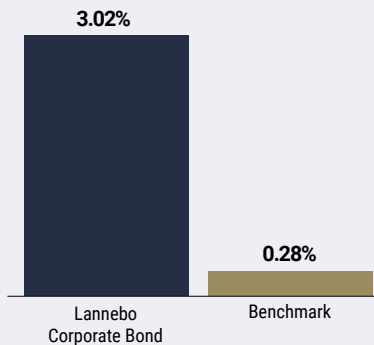
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	<b>Sep 2021</b>	Oct 2021	Nov 2021	Dec 2021
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## Monthly performance



## Performance YTD



**Katarina Ponsbach Carlsson and Karin Haraldsson**

## Performance

	Lannebo Corporate Bond	Benchmark <sup>1</sup>
Performance (%)		
September 2021	0.2	-0.2
Year-to-date 2021	3.0	0.3
3 years	3.4	3.0
5 years	8.5	4.5
Since launch (09/10/12)	22.1	20.8
Average annual return 24 months	0.7	0.7
2020 <sup>2</sup>	-2.1	1.9
2019 <sup>2</sup>	3.6	1.4
2018 <sup>2</sup>	-0.3	0.0
2017 <sup>2</sup>	3.4	1.3
2016 <sup>2</sup>	3.7	3.0

<sup>1</sup> Before 06/01/20 the benchmark of the fund was Nasdaq OMX Credit SEK TR Index.

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

## Inflation and long-term interest rates in focus

### Y- Foundation issues a new sustainable bond

Inflation concerns flared up again in September. Even though most central banks continue to consider the higher inflation as temporary, the market pushed long-term interest rates up slightly during the month - albeit from low levels. The market is haunted by several factors, including rising shipping costs that are beginning to impact companies, together with production disruptions due to component shortages. Other contributing factors are rising commodity and energy prices. The Swedish 10-year government rate increased from 0.15 per cent at the beginning of September to 0.38 per cent at the end of the month.

The Riksbank also considers the increasing inflation as temporary and the bank maintained the zero interest rate policy at their September meeting. The Riksbank will also continue its support purchase of securities and signaled interest rate increases will not happen until 2024.

A cloud of concern was Evergrande, one of China's largest real estate companies, that struggled to cope with interest payments on its gigantic debt burden. Chinese indebtedness has been a recurring cloud of concern for decades. It is, of course, difficult to judge whether this is the tip of the iceberg of future problems, or whether

## Monthly performance %

Jan	Feb	Mar	Apr	May	Jun
0.6	0.4	0.4	0.4	0.2	0.2
Jul	Aug	Sep	Oct	Nov	Dec
0.2	0.3	0.2			

this will be successfully managed by the Chinese state that directly or indirectly controls most of what happens in the country.

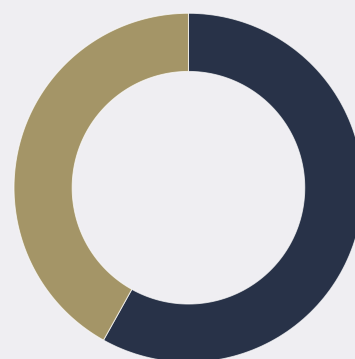
The Nordic primary market came to life again, but activity was slightly lower compared to pre-summer levels. The Finnish real estate company Y-Foundation issued a sustainable bond with a 5-year maturity. The company owns and manages affordable rental housing and the company aims to battle homelessness in accordance with the Housing First model.

We also invested in the Norwegian fish farmer Lerøy, which is a new holding that we were already familiar with given the company is part of the Austevoll Group, a previous holding. The company is one of Norway's largest producer of salmon and white fish. Lerøy issued a green bond with a six year maturity.

We maintained the fund's structure. Both 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 short interest rate duration in order to protect the fund against rising long-term interest rates.

The current rate of return is about 2.3 per cent before fees, given interest rates remain unchanged.

## Credit rating distribution



	Credit scoring securities	% of the fund
<b>Investment grade</b>	AAA	0.0
	AA+/AA/AA-	0.0
	A+/A/A-	4.0
	BBB+/BBB/BBB-	49.4
<b>High yield</b>	BB+/BB/BB-	38.6
	B+/B/B-	0.0
	CCC/CC/C	0.0
<b>Default</b>	D	0.0
Cash/other		8.0

The share of the fund with an official credit rating amounted to 41.1 per cent.

## 10 largest holdings

Holding	% of the fund
Castellum	4.3
Velliv	3.5
Tryg Forsikring	3.3
Jyske Bank	3.0
Småkraft	2.9
Storebrand Livsforsikring	2.8
Dnb Bank	2.7
Dfds	2.6
Cargotec	2.5
Y-foundation	2.4
<b>Total 10 largest issuers</b>	<b>30.0</b>
Cash	8.0
Total number of issuers	53

## Major changes during the month

Buy

Y-Foundation

Lerøy

Sell

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## Risk and reward profile

Lower risk	1	2	3	4	5	6	7	Higher risk
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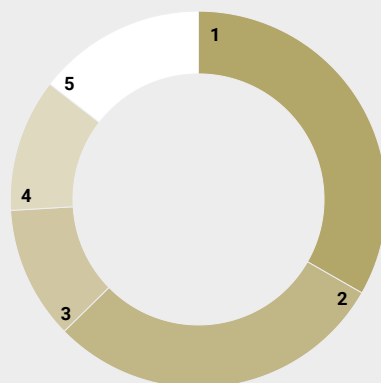
## Financial ratios

	Lannebo Corporate Bond	Benchmark
Total risk (%)	8.8	2.0
Interest-rate duration (years)	0.9	
Credit duration (years)	3.1	
Portfolio turnover ratio (06/30/21)	0.7	

## Maturity profile

	% of the fund
< 1 year	13
1-3 years	32
3-5 years	48
> 5 years	7

## Country allocation



#	Country	% of the fund
1	Sweden	35.8
2	Norway	31.6
3	Denmark	12.3
4	Finland	12.3
5	Cash	8.0

## Fund facts

Fund manager	<b>Karin Haraldsson &amp; Katarina Ponsbach Carlsson</b>
Launch date	<b>09/10/12</b>
NAV per unit (SEK)	<b>122.11</b>
Fund size (SEKm)	<b>1,320</b>
Management fee	<b>0.90%</b>
Bankgiro	<b>303-5318</b>
ISIN	<b>SE0004750396</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>5493006FC1DHI1YJE467</b>

## Risk information

Past returns are no guarantee of future returns. The money invested in the fund September 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 higher return than traditional fixed income funds but at a lower risk than equity funds.
- Want exposure to corporate bonds with low to medium risk.
- Want an actively managed fund where a thorough company analysis creates long-term returns.

## The fund's investment policy

Lannebo Corporate Bond is an actively managed long-term fixed income fund that mainly invests in Swedish but also other Nordic corporate bonds. The credit duration of the fund is normally 3-5 years. Lannebo Corporate Bond September invest more than 35 per cent of the fund's assets in bonds and other debt instruments issued or guaranteed by a Nordic state or municipality.

## Explanations

### Benchmark

Solactive SEK IG Credit Index.

### Interest-rate duration

Weighted average life.

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

### Total risk

Given as the standard deviation of variations in the total return of the fund or index.

### Credit duration

Weighted average maturity.



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