

LANNEBO

Lannebo Småbolag

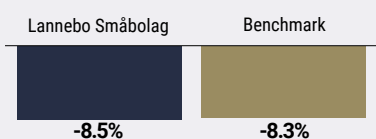
Swedish-registered equity fund, SEK

Monthly report September 2021

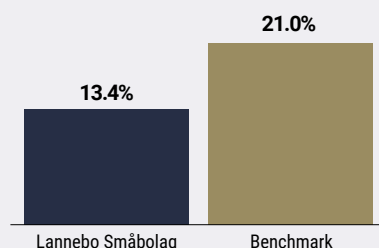
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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



Performance YTD



Per Trygg, Johan Ståhl, Hjalmar Ek

Performance

Performance. %	Lannebo Småbolag	Benchmark
September 2021	-8.5	-8.3
Year-to-date 2021	13.4	21.0
3 years	67.9	87.6
5 years	108.8	131.3
10 years	553.0	605.6
Since launch (08/04/00)	1 981.4	1 517.8
Average annual return 24 months	23.1	29.5
2020 ¹	18.0	23.0
2019 ¹	40.4	43.2
2018 ¹	-1.7	-0.2
2017 ¹	12.7	8.8
2016 ¹	9.7	12.2

¹ The performance is based on closing prices.

Equity market stumbles as interest rates rise and worries over China increase

Bico divested following a strong share price development

September was a weak stock market month where macroeconomic news took center stage, rather than company-specific news. Market concerns increased over the difficulties the Chinese real estate conglomerate Evergrande was experiencing in meeting interest payments on its large debt burden. In turn, this led to a more general fear of spillover effects and of a negative impact on Chinese growth. In a broader perspective, the development in itself is not surprising given China's stated ambition to implement an orderly cooling of the country's overheated housing and real estate market. Many cyclically sensitive stocks developed poorly during the month due to uncertainty about how the situation in China would affect the global post-pandemic recovery. The significant rise in long-term interest rates towards the end of the month put pressure on the stock market in general and growth companies in particular.

Ventilation company Lindab announced it was divesting its Building Systems division, which manufactures steel halls. In our opinion this is a strategically correct decision - even if the price tag was not that high - as it raises the quality of Lindab overall

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-1.2	0.9	5.2	7.1	0.4	-0.7
Jul	Aug	Sep	Oct	Nov	Dec
9.4	1.3	-8.5			

and enables an increased focus on the company's other segments. Lindab also presented raised financial targets in connection with the divestment.

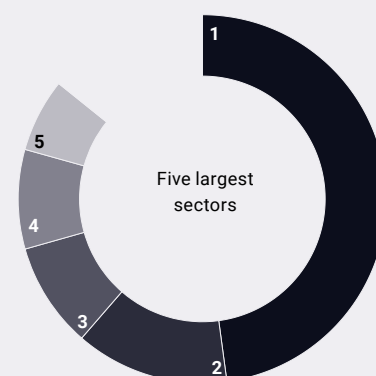
Media company NENT organized a capital markets day where it presented a number of Viaplay's new markets for geographical expansion. Furthermore, the company raised its long-term margin ambitions, while also increasing the costs of the expansion strategy.

Husqvarna informed that 2022 sales would be negatively affected by up to SEK 2 billion as the subcontractor Briggs & Stratton would only be delivering a small proportion of the previously guaranteed engines required for their riding mowers. Legal action has been initiated and the outcome remains to be seen. However, it is worth noting that this product category is not particularly profitable. The Husqvarna shares fell 9 per cent during the month.

We continued to increase the holding in the real estate company Nyfosa as we consider the valuation attractive thanks to the company's strong cash flows. The holding in Elekta was also increased in connection with the shares developing poorly following the release of the interim report the previous month when logistics costs weighed on the margin. Lastly, the holding in the Danish pharmaceutical company ALK-Abelló was increased.

Bico (formerly Cellink), Getinge and Duni were divested. Bico has been a very profitable investment, increasing almost 500 per cent since the initial investment about two years ago. The company continues to deliver and demonstrate high growth, but we essentially consider this already priced in at current share price levels.

Sector allocation



#	Sector	% of the fund
1.	Industrials	46.1
2.	Health care	13.0
3.	Consumer discretionary	8.9
4.	Real estate	8.4
5.	Materials	6.2
6.	Information technology	5.6
7.	Communication services	4.5
8.	Financials	3.6
	Cash	3.7

10 largest holdings

Holding	% of the fund
Nolato B	5.4
Addtech B	5.2
Securitas B	4.8
Trelleborg B	4.8
Huhtamäki	3.8
Bravida	3.1
NENT B	3.0
Lindab	3.0
Castellum	2.9
Bufab	2.8
Total 10 largest holdings	39.0
Cash	3.7
Total number of holdings	54

Septemberor changes during the month

Buy

Nyfosa
Elekta
ALK-Abelló

Sell

Bico
Getinge
Duni

Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

Financial ratios

	Lannebo Småbolag	Benchmark
Sharpe ratio	0.9	1.2
Total risk (%)	27.0	24.1
Tracking error	5.7	
Information ratio	-1.1	
Alpha	-0.6	
Beta	1.1	
Active share (%)	64	
Portfolio turnover ratio (06/30/21)	0.2	

Fund facts

Fund manager	Per Trygg, Johan Ståhl, Hjalmar Ek
Launch date	08/04/00
NAV per unit (SEK)	171.47
Fund size (SEKm)	33,202
Management fee (%)	1.6
Bankgiro	5563-4620
ISIN	SE0000740698
Trading frequency	Daily
Minimum investment amount	SEK 100
PPM number	842 690
Supervisory authority	Finansinspektionen
LEI	549300JC5787N3394631

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. 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 SEK 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.

