

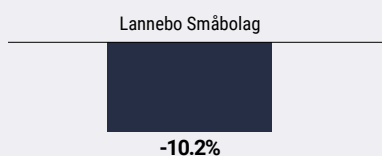
# Lannebo Småbolag

Swedish-registered equity fund, EUR  
Monthly report February 2022

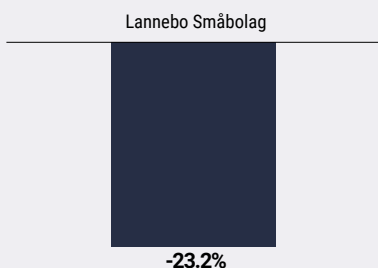
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2022	<b>Feb 2022</b>	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
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## Monthly performance



## Performance YTD



Per Trygg & Hjalmar Ek

## Performance

Performance. %	Lannebo Småbolag
February 2022	-10.2
Year-to-date 2022	-23.2
3 years	49.7
5 years <sup>1</sup>	65.1
10 years <sup>1</sup>	288.6
Since launch (08/04/00) <sup>1</sup>	1 379.3
Average annual return 24 months	16.8
2021 <sup>2</sup>	27.2
2020 <sup>2</sup>	22.6
2019 <sup>2</sup>	36.3
2018 <sup>2</sup>	-4.8
2017 <sup>2</sup>	9.8

<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.

## War drives stock market decline

### Medicover and Knowit new holdings

The tragic news of Russia's invasion of Ukraine marked the stock market in February, which led to sharply rising energy prices, where the price of Brent oil approached \$ 100/barrel. This in turn led to both cyclical and inflationary uncertainty, which weighed on many cyclically sensitive shares. The Q4 earnings season was largely addressed during the month, with a somewhat more mixed outcome than previously as many companies struggled with strained supply chains and cost increases that pressured profitability.

The software company Addnode delivered a strong earnings report where sales grew 21 per cent - of which 13 per cent was organic, and both the operating margin and cash flow developed positively. Addnode share price increased 6 per cent.

The packaging company Huhtamäki also presented strong earnings figures, where organic sales grew by double digits, even if Q4 last year was affected by Covid. Profitability weakened somewhat due to rising raw material prices, which the company compensates at a certain time delay through customer. Huhtamäki's share price nonetheless fell 7 per cent.

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-14.6	-10.2	-	-	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

Finally, the digital savings platform Nordnet also delivered a strong report. The number of customers grew 31 per cent and revenues grew 16 per cent, while costs increased by only 4 per cent. This led to a stable profit increase of about 20 per cent. The Nordnet share price increased 14 per cent.

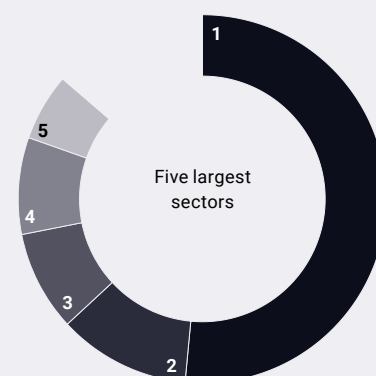
Medical technology company Addlife presented an earnings report where sales grew due to completed acquisitions, while organic sales decreased 12 per cent and margins fell. Addlife benefited from an extreme demand for corona tests in parts of its business, while other parts were negatively affected by the pandemic. A weak earnings report combined with the announcement the CEO had resigned led to a substantial negative price reaction. The share price lost 19 per cent.

The profitability of radiation therapy company Elekta was negatively affected by increased costs for logistics and components. Order intake continued to be good and service revenues grew, but the company needs to manage the weak margin development. Elekta's share price fell 12 per cent.

We have gradually built our position in two new holdings; Medicover and Knowit. Medicover offers healthcare services and diagnostics and is mainly focused on markets in Central and Eastern Europe, with a growing business in India. The company operates in growing markets and is active acquisitions strategy. Short-term, the share has been weighed down given the single-digit share of sales from the Ukraine, but longer term we believe the company has good prospects in the future of driving organic- and acquired- growth, with stable profitability. Knowit is an IT consultant that has strengthened its market position through acquisitions and, in our opinion, has good growth prospects and a decent valuation.

The holding in Sobi was divested in its entirety given the share price has performed well during the market turmoil and valuations now appear to be less attractive compared with other investment alternatives. The holdings in Securitas and Husqvarna were reduced.

## Sector allocation



#	Sector	% of the fund
1.	Industrials	51.5
2.	Health care	11.6
3.	Real estate	8.8
4.	Information technology	8.5
5.	Consumer discretionary	5.9
6.	Communication services	4.1
7.	Financials	3.8
8.	Materials	3.4
	Cash	2.4

## 10 largest holdings

Holding	% of the fund
Trelleborg B	5.8
Addtech B	5.4
Nolato B	5.2
Bufab	3.5
Huhtamäki	3.4
Beijer Alma B	3.2
Hexpol B	3.0
Lindab	3.0
Securitas B	3.0
Bravida	2.9
<b>Total 10 largest holdings</b>	<b>38.4</b>
Cash	2.4
Total number of holdings	54

## Major changes during the month

### Buy

Knowit  
Medicover  
Dometic

### Sell

Sobi  
Securitas  
Husqvarna

## 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	0.7	0.8
Total risk (%)	31.8	29.2
Tracking error	5.2	
Information ratio	-1.0	
Alpha	-0.4	
Beta	1.1	
Active share (%)	68	
Portfolio turnover ratio (12/31/21)	0.3	

<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 & Hjalmar Ek
Launch date	08/04/00
NAV per unit (EUR)	181.73
Fund size (EURm)	2,636
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 February 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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