

Lannebo Teknik

Swedish-registered equity fund

Monthly report March 2022

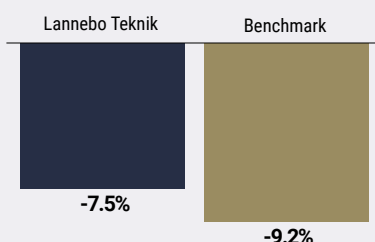
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2022	Feb 2022	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



Johan Nilke and Helen Groth

Performance

Performance. %	Lannebo Teknik	Benchmark
March 2022	1.5	1.2
Year-to-date 2022	-7.5	-9.2
3 years	87.0	90.6
5 years	157.0	186.1
10 years	589.7	629.5
Since launch (08/04/00)	70.5	213.6
Average annual return 24 months	27.6	31.2
2021 ¹	31.4	41.5
2020 ¹	29.5	23.0
2019 ¹	40.6	50.8
2018 ¹	7.3	6.1
2017 ¹	16.3	24.2

¹ The performance is based on closing prices.

Security and semiconductors winners during a turbulent period

Sinch – half the value of its closest competitor

The humanitarian catastrophe due to the war in Ukraine continues and on a daily basis we are met with the broadcast of horrific images. Needless to say, the war affects politics globally, the economy and the stock market. This welds high inflation. In particular, the war has directly affected the prices of raw materials such as oil, wheat, corn and vegetable oil. In addition, already strained global logistics chains following covid are disrupted, which exacerbates the lack of components and creates longer lead times. However, the direct impact on our holdings is marginal primarily because the geographical exposure to these areas in general is low both in terms of sales and operations. However, it is difficult to predict indirect consequences, even though Russia and Ukraine make up only about 2.5 per cent of global GDP.

Profitable companies with lower valuation risk have performed better than un-profitable companies with higher valuations. It feels safe to lean on our investment philosophy, which is based on profitable technology-driven growth companies with lower valuation risk. Over time, we are convinced that this strategy will generate good returns.

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-6.5	-2.5	1.5	-	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

Companies providing digital security solutions have noted increased demand for their products and services since the beginning of the pandemic; demand appears to have accelerated even further following Russia's invasion of Ukraine. Companies and communities are more vulnerable and exposed with critical digital infrastructures built-up over a relatively short period. Among other things, this led to digital security company Palo Alto Networks being the fund's best contributor to performance since the beginning of the year.

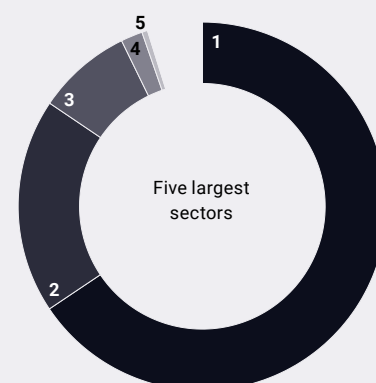
For some time, digital security has also been one of the fund's main themes – where we have a positive long-term outlook. The fund participated in a directed share issue in the Finnish digital security company WithSecure, formerly F-Secure. During the summer, the company will be divided in two: Withsecure, will focus on corporate security, and F-Secure will focus on consumer security. The proceeds from the issue will be used to continue WithSecure's growth journey in the corporate segment. We have a positive view of the split of the company given the separate entities will have favorable conditions for focused strategies considering the substantial differences in the two segments and company profiles. At the same time, we chose to sell a small portion of our holding in Palo Alto Networks in order to take home some profits and balance the portfolio after a period of strong share price performance.

During March, we also saw a strong development in several semiconductor companies, above all through our holdings in Nvidia, Microchip Technology and ASML. Demand is still greater than supply, while at the same time semiconductor manufacturers want to move production closer to end markets and as such build new factories. This should continue to benefit suppliers of semiconductor manufacturing equipment such as Dutch ASML and Swedish Mycronic. We therefore chose to make an investment in ASML, which is one of the world's largest suppliers of lithography machines for the manufacture of semiconductors.

The largest contributor to performance during the month was Amazon following their announcement of a share split and a buyback program. Amazon also closed its acquisition of MGM studios, which strengthens the company's content within the Amazon Prime membership service. The acquisition includes a catalog of 25,000 hours of film and series, including classics such as James Bond. There was concern the competition authority would block the acquisition, so it was a relief when the transaction was approved.

Unfortunately, Swedish Sinch continues to have a rough time on the stock market; Sinch was the largest negative contributor to performance during the period. The long-term case has not changed, but short term the market has continued with its negative view of the gross margin and that the integration of acquisitions will weigh on Q1 earnings. The market has also been concerned over the company's balance sheet and a risk that Sinch could breach banks' covenants. We see no reason for concern and management has also commented that the company has a good margin for the covenants. There have also been reports that the fund Softbank Northstar, a major Sinch shareholder, will close operations and thereby divest its holding in Sinch. As a result, Sinch now trades at half the valuation of its nearest competitor Twilio, but where Sinch has higher growth and good profitability.

Sector allocation



#	Sector	% of the fund
1.	Information technology	65.4
2.	Communication services	18.8
3.	Consumer discretionary	8.3
4.	Health care	1.9
5.	Consumer staples	0.5
6.	Financials	0.6
7.	Industrials	0.3
	Cash	4.2

10 largest holdings

Holding	% of the fund
Microsoft	9.1
Alphabet Class A	7.5
Amazon.com	6.4
Apple	6.0
Palo Alto Networks	4.2
MicroChip Technology	4.1
Salesforce.com	3.6
Intuit	3.5
Mastercard	3.3
Adobe	3.3
Total 10 largest holdings	50.8
Cash	4.2
Total number of holdings	37

Major changes during the month

Buy

ASML Holding
WithSecure
Cognizant Technology

Sell

Palo Alto Networks
Apple
Mastercard

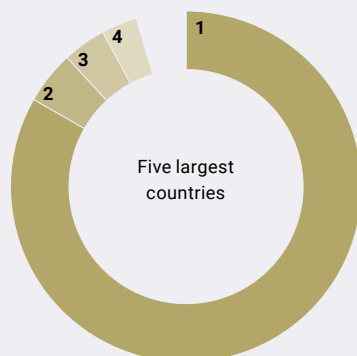
Risk and reward profile

Lower risk							Higher risk
1	2	3	4	5	6	7	

Financial ratios

	Lannebo Teknik	Benchmark
Sharpe ratio	1.6	1.8
Total risk (%)	16.0	16.5
Tracking error	6.5	
Information ratio	-0.6	
Alpha	0.0	
Beta	0.9	
Portfolio turnover ratio (12/31/21)	0.1	

Geographical split



#	Country	% of the fund
1	North America	83.6
2	Europe, excl. Sweden	4.9
3	Sweden	4.0
4	Asia	3.3
	Cash	4.2

Fund facts

Fund manager	Johan Nilke & Helen Groth
Launch date	08/04/00
NAV per unit (SEK)	16.06
Fund size (SEKm)	7,871
Ongoing charges (%)	1.62
Bankgiro	5563-4638
ISIN	SE0000740672
Trading frequency	Daily
Minimum investment amount	SEK 100
PPM number	771 030
Supervisory authority	Finansinspektionen
LEI	549300Y3UW5Y5DPJS002

Risk information

Past returns are no guarantee of future returns. The money invested in the fund March 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 global exposure to growth companies primarily in the technology sector.
- Believe in active management and investments based on a clear understanding of each individual company.

The fund's investment policy

Lannebo Teknik is an actively managed equity fund that invests globally in equities in companies with a high content of technology, but can operate in different lines of business. Since the sector is dominated by US companies, most of the fund's assets are normally invested in the US.

Explanations

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.

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

Benchmark

* MSCI World IT 10/40 Net Total Return Index calculated in SEK. 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.

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