

Lannebo Sverige

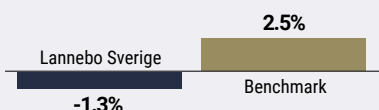
Swedish-registered equity fund

Monthly report March 2022

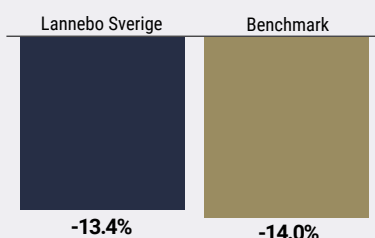
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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



Martin Wallin & Robin Nestor

Inflation, inflation, inflation

Big swings for the reporting period

Despite tragic developments in Ukraine and continued major supply chain challenges, the SIXPRX saw a slight positive development in March. Inflation continues to increase in Europe and the US, where the annual rate is now around 8 per cent. The US Fed is expected to sharply raise its key rate to reduce demand and thereby curb price increases. The ECB and the Riksbank will also, in all probability, initiate a higher interest rate path and a moderate monetary stimulus policy. Price increases implemented by companies during the first half of the year may keep inflation at a high level even if demand declines during the year.

In anticipation of future quarterly reports, we generally expect good sales trends where price increases, to varying degrees, are positive contributors. Profitability will be pressured by cost increases as witnessed in Q4. Our current view for industrial companies is that there is a discrepancy between share prices and the market's profit expectations for the full year 2022, where sales and profits are expected to continue to rise while share prices have fallen to imply a cyclical slowdown.

SOBI and Trelleborg developed better than the market as a whole with increases of 15 and 14 per cent, respectively. SOBI announced during the month that the company's forthcoming improved

Performance

Performance, %	Lannebo Sverige	Benchmark
March 2022	-1.3	2.5
Year-to-date 2022	-13.4	-14.0
3 years	41.5	64.1
5 years	54.1	82.6
10 years	219.8	266.0
Since launch (08/04/00)	601.8	511.6
Average annual return 24 months	27.9	29.7
2021 ¹	32.3	39.3
2020 ¹	10.4	14.8
2019 ¹	21.9	35.0
2018 ¹	-1.2	-4.4
2017 ¹	7.4	9.5

¹ The performance is based on closing prices.

Monthly performance,%

Jan	Feb	Mar	Apr	May	Jun
-1.9	-10.6	-1.3	-	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

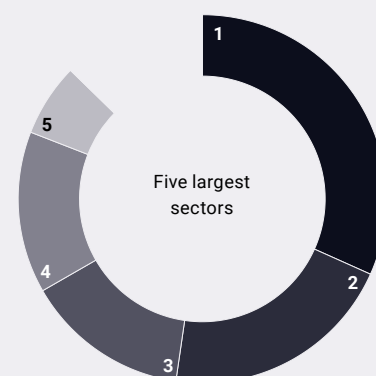
drugs for haemophilia showed superiority to previous preventive treatments. The drug will extend the time interval for injection from days to weeks and will be launched in the US through its partner Sanofi during the first half of 2023. With an extended half-life, there are opportunities to grow sales and take market share from competing drugs.

Trelleborg announced it had entered into an agreement with Japanese Yokohama for the sale of its Wheel Systems business area, which manufactures tires for the agriculture and industrial sectors. The price is EUR 2.1 billion and is expected to be completed during the latter half of 2022. Trelleborg will then receive a large net cash payment that allows for acquisitions, one-time dividends and / or repurchases of shares. Compared to today, the remaining operations will have higher operating margins, higher return on capital and less volatile profitability. Excluding Wheel Systems, the full year 2021 operating margin was approximately 1.5 percentage points higher at 16.4 per cent.

H&M and Electrolux developed poorly in February and fell 21 and 16 per cent, respectively. H&M reported Q1 earnings on the last day of the month; the share price fell sharply. Operating profit was SEK 458 million - lower than market expectations - where both the cost of goods sold and rising operating costs had a negative effect. The pressure on earnings is a result of no-sales in Russia and Ukraine, forward-looking investments and increasing cotton prices and logistics costs, which have not been offset by price increases. Increasing sales is important for a long-term positive profit trend. We believe these conditions exist within H&M and that products are competitive, even with the assumption of price increases.

Electrolux has worked to improve production processes and harmonize the raw material content of its products. The underlying profitability improvements will be gradually realized over the coming years and implies major cost savings. At present, however, the company is challenged by large cost increases. The company wrote in its year-end earnings report that negative external factors could be between SEK 6 and 9 billion for the full year 2022. This interval is currently assumed to be higher, but Electrolux will continue to look to offset this through end customer pricing. Repurchases will probably be initiated following the AGM.

Sector allocation



#	Sector	% of the fund
1.	Industrials	31.7
2.	Financials	20.6
3.	Information technology	14.4
4.	Consumer discretionary	14.2
5.	Health care	6.4
6.	Communication services	5.2
7.	Consumer staples	4.5
	Cash	3.0

10 largest holdings

Holding	% of the fund
Trelleborg B	7.5
SKF B	7.0
Nordea	6.9
Nokia SEK	6.5
H&M B	5.3
Millicom SDB	5.2
Ericsson B	4.7
Handelsbanken A	4.6
Sandvik	4.6
Autoliv SDB	4.6
Total 10 largest holdings	56.9
Cash	3.0
Total number of holdings	23

Major changes during the month

Buy

Nordea
SOBI
SKF

Sell

Industrivärden
SSAB
Securitas

Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

Financial ratios

	Lannebo Sverige	Benchmark
Sharpe ratio	1.4	1.6
Total risk (%)	18.9	17.7
Tracking error	10.8	
Information ratio	-0.2	
Alpha	0.2	
Beta	0.9	
Active share	77	
Portfolio turnover ratio (12/31/21)	1.4	

Fund facts

Fund manager	Martin Wallin & Robin Nestor
Launch date	08/04/00
NAV per unit (SEK)	52.82
Fund size (SEKm)	3,048
Ongoing charges (%)	1.63
Bankgiro	5563-4604
ISIN	SE0000740680
Trading frequency	Daily
Minimum investment amount	SEK 100
PPM number	806 869
Supervisory authority	Finansinspektionen
LEI	549300GJSC541WIWX079

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 to take part in developments on the Swedish equity market.
- Want an actively managed fund with investments based on a clear understanding of each individual company.

The fund's investment policy

Lannebo Sverige is an actively managed equity fund that invests in shares on the Swedish equity market.

Explanations

Benchmark SIX Portfolio 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 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.

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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