

Lannebo Sverige Hållbar

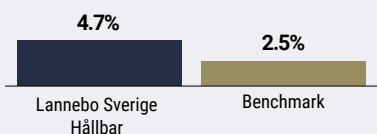
Swedish-registered equity fund

Monthly report March 2022

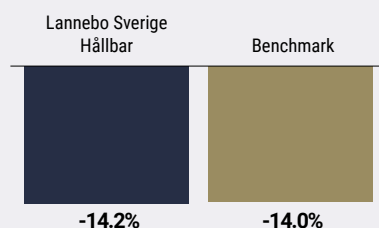
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

| | | | | | | | | | | | |
|----------|----------|-----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Jan 2022 | Feb 2022 | Mar 2022 | Apr 2022 | May 2022 | Jun 2022 | Jul 2022 | Aug 2022 | Sep 2022 | Oct 2022 | Nov 2022 | Dec 2022 |
|----------|----------|-----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|

Monthly performance



Performance YTD



Charlotta Faxén and Peter Lagerlöf.

Performance

| Performance. % | Lannebo Sverige Hållbar ¹ | Benchmark ² |
|---------------------------------|--------------------------------------|------------------------|
| March 2022 | 4.7 | 2.5 |
| Year-to-date 2022 | -14.2 | -14.0 |
| 3 years | 54.0 | 64.1 |
| 5 years | 71.2 | 82.6 |
| 10 years | 246.1 | 264.8 |
| Since launch (01/10/10) | 249.2 | 278.7 |
| Average annual return 24 months | 27.3 | 29.7 |
| 2021 ³ | 23.0 | 39.3 |
| 2020 ³ | 24.1 | 14.8 |
| 2019 ³ | 34.2 | 35.0 |
| 2018 ³ | -0.7 | -4.4 |
| 2017 ³ | 5.0 | 9.5 |

¹ Performance of the fund before 20/12/18 is based on Lannebo Utdelningsfond.

² Before 10/12/18 the benchmark of the fund was SIX Return Index.

³ The performance is based on closing prices.

Strong stock market despite turbulent times Slightly more cautious frame of mind

March was a strong stock market month despite Russia's war of aggression in Ukraine and a sharp rise in interest rates. The Stockholm Stock Exchange increased just over 2 per cent, where small caps outperformed large caps and commodity companies were winners. The Norwegian stock exchange, with its overweighting in the oil sector, was the winner of the Nordic markets, but the Danish market, with a large element of stable pharmaceutical companies and companies in renewable energy, also developed strongly.

We deem it difficult to assess the strong stock market development. The world has become more uncertain, where the economic outlook has deteriorated, inflation has accelerated and interest rates have risen significantly. Against this backdrop, it should be noted that company valuations fell following the weak start of the stock market year, but some companies benefit from the occurrences in the outside world – for example, companies directly or indirectly exposed to the transition from fossil fuels to renewables. This transition will occur faster than previously estimated and will contribute to a higher growth rate of total investments for European countries.

Monthly performance, %

| Jan | Feb | Mar | Apr | May | Jun |
|-------|------|-----|-----|-----|-----|
| -11.8 | -7.1 | 4.7 | - | - | - |
| Jul | Aug | Sep | Okt | Nov | Dec |
| - | - | - | - | - | - |

We have started to meet companies physically, rather than the recommended digital meetings that we, over a long period, held. At the end of the month we met with engineering companies in Helsinki, where a clear conclusion from our visit - which affects most companies - is the challenge of managing the situation following Russia's invasion. Circumstances are messy with regards to commodity prices, components, currencies, sanctions, changing of agreed contracts – basically, almost everything. As a result, profit margins will be negatively affected, which are not yet visible in analysts' forecasts.

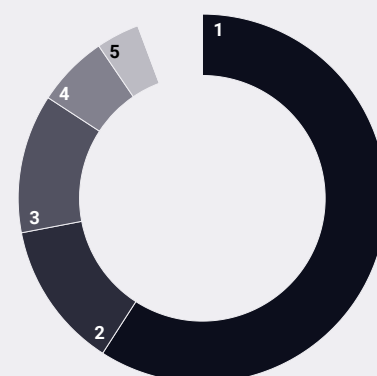
Inflation has risen to its highest level in decades in both the United States and Europe. This has led central banks to quickly change the orientation of their monetary policy. The Fed is now expected to raise its rate by 2 percentage points in 2022, and the ECB is also expected to raise its interest rate during the year. It remains to be seen whether the Riksbank will also change its course. Regardless, it feels unlikely that there will not be a rate increase until 2024, which is the Riksbank's current guidance, and, instead, we believe an increase will come soon.

We are now facing a reporting season that will of course be marked by recent developments. Several companies have already issued profit warnings and there will likely be more in the coming weeks. This is not currently a result of general demand issues, but is instead primarily a consequence of skyrocketing prices for many inputs and the time lag before companies adjust their prices in line with the latest market conditions. In addition, new shortages have emerged for important components, which has led to, for example, the auto industry reducing production.

Investor and Sandvik are new holdings. Both companies have solid sustainability work where they receive high marks in our internal sustainability analysis. An investment in Investor also provides a broad portfolio of companies in various sectors. Sandvik has a business area that supplies mining equipment and given the recent commodity price rally, customers in this segment are flush with capital and have the capacity to pay the higher prices required given the high inflation. We have also increased our holding in AstraZeneca as the pharmaceutical industry is relatively less sensitive to economic fluctuations.

We also divested our holding in SCA following the strong share price development. At the same time we reduced our position in SKF and finally divested all of our shares in Essity.

Sector allocation



| # | Sector | % of the fund |
|----|------------------------|---------------|
| 1. | Industrials | 59.1 |
| 2. | Health care | 12.9 |
| 3. | Energy | 12.2 |
| 4. | Consumer discretionary | 6.3 |
| 5. | Information technology | 3.8 |
| 7. | Financials | 2.8 |
| | Cash | 2.9 |

10 largest holdings

| Holding | % of the fund |
|---------------------------|---------------|
| Atlas Copco B | 8.2 |
| AstraZeneca | 7.0 |
| OX2 | 6.1 |
| Alfa Laval | 5.7 |
| Inwido | 4.6 |
| ABB | 4.4 |
| Thule | 4.4 |
| Rejlers B | 4.3 |
| NIBE Industrier B | 4.3 |
| Bravida | 4.2 |
| Total 10 largest holdings | 53.4 |
| Cash | 2.9 |
| Total number of holdings | 26 |

Major changes during the month

Buy

Investor
Sandvik
AstraZeneca

Sell

SCA
SKF
Essity

Risk and reward profile

| | | | | | | |
|------------|---|---|---|---|-------------|---|
| Lower risk | | | | | Higher risk | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Financial ratios ¹

| | Lannebo Sverige Hållbar | Benchmark |
|-------------------------------------|-------------------------|-----------|
| Sharpe ratio | 1.3 | 1.6 |
| Total risk (%) | 20.6 | 17.7 |
| Tracking error | 7.8 | |
| Information ratio | -0.3 | |
| Alpha | -0.3 | |
| Beta | 1.1 | |
| Active share (%) | 77 | |
| Portfolio turnover ratio (12/31/21) | 0.5 | |

Fund facts

| | |
|---------------------------|---|
| Fund manager | Charlotta Faxén & Peter Lagerlöf |
| Launch date | 01/10/10 |
| Launch date share class | 20/12/18 |
| NAV per unit (SEK) | 2 333.50 |
| Fund size (SEKm) | 1,419 |
| Ongoing charges (%) | 1.64 |
| Bankgiro | 5314-3772 |
| ISIN | SE0011973684 |
| Trading frequency | Daily |
| Minimum investment amount | SEK 100 |
| Supervisory authority | Finansinspektionen |
| LEI | 549300Y41WZFN0E996 |

Risk information

Past returns are no guarantee of future returns. The money invested in the fund November 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.com. 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 companies that have the best sustainable business practices and contribute to a more sustainable society through their products and services.
- Believe in active management and investments based on a clear understanding of each individual company.
- Want to avoid investments in fossil fuel, tobacco, alcohol, weapons, gambling or pornography.

The fund's investment policy

Lannebo Sverige Hållbar is an actively managed equity fund that mainly invests in the Swedish stock market but November invest up to 10 percent in stock markets outside Sweden. The fund is a so-called all-cap fund that can invest in all sizes of listed companies. Lannebo Sverige Hållbar follows specific sustainability criteria in its investments. This means that the fund, in addition what is required for all of Lannebo funds, actively invests in companies based on three main areas: A better environment, a healthier lifestyle and a better world.

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 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.

