

# Lannebo High Yield

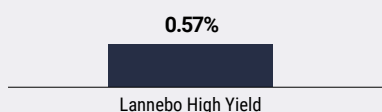
Swedish-registered fixed income fund

Monthly report April 2022

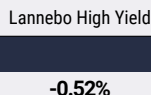
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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



## Performance YTD



**Katarina Ponsbach Carlsson & Karin Haraldsson**

## Performance

	Lannebo High Yield
Performance (%)	
April 2022	0.6
Year-to-date 2022	-0.5
3 years	4.6
5 years	10.5
Since launch (01/30/15)	22.1
Average annual return 24 months	8.2
2021 <sup>1</sup>	6.2
2020 <sup>1</sup>	-3.8
2019 <sup>1</sup>	5.0
2018 <sup>1</sup>	1.0
2017 <sup>1</sup>	5.1

<sup>1</sup> The performance is based on closing prices.

## The Riksbank announced its first interest rate increase

### Several new holdings

Despite the continuation of the war in Ukraine, the Swedish credit market was relatively stable during the period and the primary market was open to new issues.

Inflation continues to be high globally. The Riksbank made a U-turn when it increased its key interest rate to 0.25 per cent at their meeting at the end of the month, and guided for further increases both this year and next. The repo rate is expected to reach just under two per cent by the end of 2023. Stibor, the benchmark rate used in setting variable rates for Swedish bonds, increased from 0.06 to 0.36 per cent, which means that, over time, our coupon rates will be upwards adjusted and the rate of return will increase. During the period, the Swedish five-year government bond yield increased further from about 1.2 per cent to 1.6 per cent. We consider it sound to have interest rates that are not too low; by owning floating rate bonds we maintain a low interest rate duration to protect the fund against rising interest rates.

We invested in several new bonds during the period. The Norwegian shipping company Wallenius Wilhelmsen issued a sustainability

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
0.2	-1.7	0.4	0.6	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

linked bond (SLB), with a goal to reduce CO2 emissions. The bond has a duration of five years and a coupon rate of 3 months Nibor + 4.25 per cent. We also made a limited investment in the new bond issued by the Swedish real estate company Heimstaden, which is an existing holding. Another new holding is a subordinated bond of the state-owned SBAB Bank.

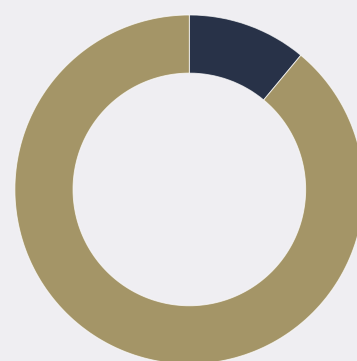
During the month two of the fund's holdings, Finnish Citec and Norwegian Ice Group, announced they would redeem their respective bonds early. Both will pay a price premium, and in Citec's case this amounts to as much as 9 per cent, which positively contributed to the fund's performance.

The Q1 earnings season started during the month. In general, earnings reports were favorable, but many companies are experiencing cost pressures. It will be interesting to understand how companies will pass these price increases on and, as such, whether demand will hold up.

We maintained the fund's structure during the month. Both the credit duration, the average maturity of all holdings in the fund, and the interest rate duration, measured as the average fixed interest period, were in principle unchanged during the period.

The rate of return is currently approximately 6.8 per cent before fees, given an unchanged interest rate.

## Credit rating distribution



	Credit scoring securities	% of the fund
Investment grade	AAA	0.0
	AA+/AA/AA-	0.0
	A+/A/A-	0.0
High yield	BBB+/BBB/BBB-	9.2
	BB+/BB/BB-	23.6
	B+/B/B-	49.6
Default	CCC/CC/C	1.0
	D	0.0
Cash/other		16.6

The share of the fund with an official credit rating amounted to 31.8 per cent.

## 10 largest holdings

Holding	% of the fund
Wallenius Wilhelmsen	3.3
Sbab Bank	3.1
Ocean Yield	3.1
Aktia Bank	2.7
Arwidsro	2.3
Teekay Lng Partners L.P	2.3
Link Mobility Group Holding	2.3
Momox Holding Gmbh	2.3
Sentiec Oy	2.2
Carucel Property As	2.2
Total 10 largest issuers	25.8
Cash	16.6
Total number of issuers	49

## Major changes during the month

Buy

Heimstaden

SBAB

Wallenius Wilhelmsen

Sell

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## Risk and reward profile



## Financial ratios

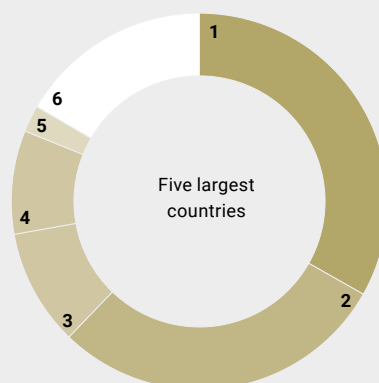
	Lannebo High Yield
Total risk (%)	2.8
Interest-rate duration (years)	0.6
Credit duration (years)	3.1
Portfolio turnover ratio (12/31/21)	0.5

## Maturity profile\*

	% of the fund
< 1 year	5
1-3 years	34
3-5 years	27
> 5 years	0

\*The maturity profile of the fund excludes cash.

## Country allocation



#	Country	% of the fund
1	Sweden	33.2
2	Norway	29.0
3	Finland	10.0
4	Denmark	8.9
5	Germany	2.3
6	Cash	16.6

## Fund facts

Fund manager	<b>Karin Haraldsson &amp; Katarina Ponsbach Carlsson</b>
Launch date	<b>01/30/15</b>
NAV per unit (SEK)	<b>122,12</b>
Fund size (SEKm)	<b>580</b>
Ongoing charges	<b>0.92%</b>
Bankgiro	<b>584-9369</b>
ISIN	<b>SE0006421855</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>549300XRFORNDKE3IM10</b>

## Risk information

Past returns are no guarantee of future returns. The money invested in the fund may 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 a higher return than traditional fixed income funds and who are willing to take on a slightly higher risk.
- Want an actively managed fund where a thorough company analysis creates long-term returns.
- Want a well-diversified fund of corporate bonds.

## The fund's investment policy

Lannebo High Yield is an actively managed fixed income fund that primarily invests in High Yield corporate bonds predominantly from issuers in the Nordic region. High Yield bonds are securities issued by companies with a lower credit rating. The average maturity of the fund's holdings is 3-5 years, but April at times deviate from this range. Investments in foreign currency are always hedged.

## Explanations

**Total risk** Given as the standard deviation of variations in the total return of the fund.

**Interest-rate duration** Weighted average life.

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

### Credit duration

Weighted average maturity.



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