

LANNEBO

Lannebo Småbolag

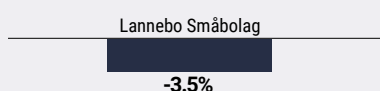
Swedish-registered equity fund, EUR

Monthly report April 2022

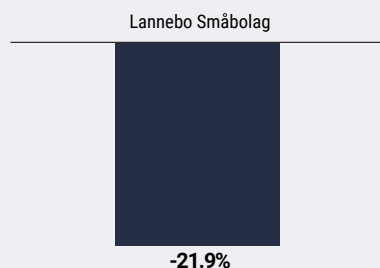
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2022	Feb 2022	Mar 2022	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
April 2022	-3.5
Year-to-date 2022	-21.9
3 years	40.6
5 years ¹	57.6
10 years ¹	293.5
Since launch (08/04/00) ¹	1 404.6
Average annual return 24 months	24.0
2021 ²	27.2
2020 ²	22.6
2019 ²	36.3
2018 ²	-4.8
2017 ²	9.8

¹ Performance of the fund before start of the asset class (05/02/16) is simulated from the SEK-asset class.

² The performance is based on closing prices.

Earnings reports generally favorable, but reactions are mixed

A bid for Basware

During April, the market's focus was on both earnings releases and China's new shutdowns to prevent the spread of covid. China's strict approach to infection control put further pressure on already challenged global supply chains. Overall, earnings reports for the fund's holdings could be described as strong, where most companies managed the global challenges effectively.

A consortium, led by the private equity company Accel-KKR, made a EUR40.1 per share offer for the Finnish software company Basware, corresponding to a premium of around 95 per cent. As such, Basware was a positive contributor to performance during the month.

Trelleborg, the fund's largest holding, delivered a strong quarterly report where organic sales grew by double digits and the company, despite challenging supply chain issues, managed to defend and slightly increase the margin. During the month, Trelleborg also made a complementary acquisition to the company's most important business area, Sealing Solutions. The share price increased 2 per cent.

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-14.6	-10.2	5.4	-3.5	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

The Finnish packaging company Huhtamäki's earnings report was a positive surprise with 19 per cent organic growth, mainly because of significant price increases to compensate for the sharp rise in input costs. At the same time, margins decreased clearly less than feared. The report was a relief given that the market was concerned over Huhtamäki's ability to compensate for rising commodity prices. The share price increased 16 per cent.

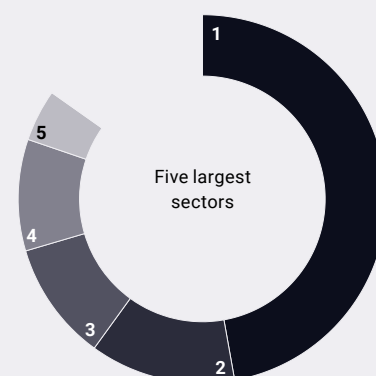
The measurement technology company Vaisala released a remarkably strong Q1 earnings report with strong organic growth and high margins. The high margins were somewhat surprising as the company had previously signaled that component shortages would have a negative effect on gross margins during 2022. However, economies of scale in production trumped this in Q1 and profits more than doubled compared with the same quarter last year. The company did however stick to its profit and sales forecast for the full year; however, Vaisala is notoriously cautious in its forecasts. The share price increased 3 per cent.

On the negative side was the mobile gaming company MTG, whose sales - like most other companies in the sector - declined organically during the quarter. In addition, the company's margin forecast for the full year was burdened by investments in growth, primarily in the form of marketing. The company will start a share repurchase program at the beginning of May once the proceeds from the sale of the e-sports operations have been received. MTG has a large net cash position that can be expected to benefit shareholders in several ways. The MTG share price fell 24 per cent during the month.

The two healthcare companies, Össur and Terveystalo, saw their margins squeezed for different reasons. The prosthetic company Össur continued to suffer from component shortages and strained supply chains, which had a negative effect on margins. The share price fell 10 per cent. The healthcare company Terveystalo delivered strong organic growth, but profitability was negatively affected by temporarily higher costs due to challenges in meeting the high demand during the quarter. Terveystalo's share price lost 4 per cent, which was nevertheless less than the stock market.

Beijer Ref is a new-old holding that was divested for valuation reasons. Given that the share price came down and the company continues to grow, we have gradually built up a new holding since we consider the company to be well-managed with long-term favorable growth potential. The holdings in Lagercrantz and Lifco were increased during the month. The holdings in NCC and Storskogen were divested as we see better long-term potential for good risk-adjusted returns in other shares; the holding in Securitas was reduced.

Sector allocation



#	Sector	% of the fund
1.	Industrials	47.6
2.	Information technology	13.3
3.	Health care	12.7
4.	Real estate	9.8
5.	Consumer discretionary	4.8
6.	Communication services	3.1
7.	Financials	2.6
8.	Materials	2.3
9.	Consumer staples	0.7
	Cash	3.1

10 largest holdings

Holding	% of the fund
Trelleborg B	6.9
Addtech B	6.4
Nolato B	4.2
Bufab	3.6
Lindab	3.0
Beijer Alma B	3.0
Lagercrantz B	2.9
Nyfosa	2.7
Bravida	2.6
Hexpol B	2.4
Total 10 largest holdings	37.8
Cash	3.1
Total number of holdings	53

Major changes during the month

Buy

Beijer Ref
Lagercrantz
Lifco

Sell

NCC
Storskogen
Securitas

Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

Financial ratios¹

	Lannebo Småbolag	Benchmark
Sharpe ratio	1.0	1.2
Total risk (%)	24.3	23.4
Tracking error	4.3	
Information ratio	-1.0	
Alpha	-0.3	
Beta	1.0	
Active share (%)	71	
Portfolio turnover ratio (12/31/21)	0.3	

¹ 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)	184.84
Fund size (EURm)	2,635
Ongoing charges (%)	1.63
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 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. 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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