

Lannebo Småbolag

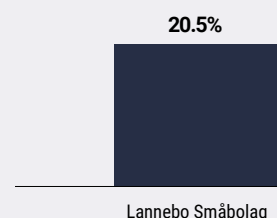
Swedish-registered equity fund, EUR

Monthly report July 2022

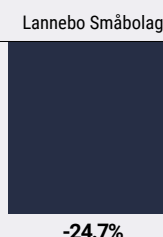
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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
July 2022	20.5
Year-to-date 2022	-24.7
3 years	35.4
5 years ¹	54.8
10 years ¹	280.3
Since launch (08/04/00) ¹	1 351.5
Average annual return 24 months	8.4
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.

*Net of fees

Expectation of reduced inflationary pressure eased concerns

Addtech and Addnode deliver strong earnings

The equity market developed strongly during July as concerns lessened over rapidly rising inflationary pressures. Several economic indicators, such as industrial metals, shipping prices and more, fell significantly back from the extreme levels previously noted. Although this is likely to happen against the backdrop of an economic slowdown as a result of interest rate increases, it is a more desirable scenario than a longer period of sharply elevated inflation and a tighter austerity at a later stage.

The focus during July was, as usual, on quarterly earnings. A general conclusion from the earnings reports is that companies continued to see strong demand. However, for many companies this led to weak cash flow during the quarter given the need to build safety stocks and generally tie up more working capital. Several companies reported that supply issues were beginning to ease and that inventory levels during the second half of the year can thus be significantly reduced. Although this may very well be the case, it means an obvious risk to demand when many companies will instead buy less in order to reduce inventory –this will, therefore, be important to monitor.

Monthly performance, %

Jan	Feb	Mar	Apr	July	Jun
-14.6	-10.2	5.4	-3.5	-3.6	-16.9
Jul	Aug	Sep	Oct	Nov	Dec
20.5	-	-	-	-	-

Many of the holdings performed strongly. For example, Addtech grew sales over 30 per cent and operating profit by over 40 per cent thanks to continued margin improvements. Addtech's share rose 22.6 per cent during the month.

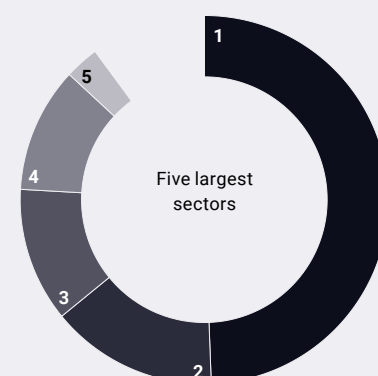
Real estate holdings continued to deliver good growth, which, in combination with slightly reduced concerns over interest rates, resulted in large positive movements in the share prices. For example, Sagax – the fund's largest real estate holding – rose 34.5 per cent during the month. The IT company Addnode also excelled in a positive sense with revenue growth of around 50 per cent and an even stronger profit development. Several completed acquisitions are an important explanation for the positive development. The company's strong cash flows also mean that debt can be reduced at a good pace after an acquisition. Addnode's share price rose 21.8 per cent.

On the negative side, Finnish healthcare company Terveystalo was challenged with reduced test volumes and capacity shortages. Although sales continued to grow, profits fell due to these factors. The stock lost 9.4 per cent.

The consulting company Sweco also reported a weak Q2, where revenues increased by 8 per cent, but operating profit decreased by approximately the same amount. A poorer billable utilization rate and a slightly higher cost level were to blame for the weaker profit development. However, Sweco's share price rose 3.1 per cent.

During the month, we continued to buy shares in the real estate companies Balder and Nyfosa, while sector colleague Wihlborgs was reduced. The holding in Lifco was also increased. The holding in Viaplay was divested, while Huhtamäki was reduced.

Sector allocation



#	Sector	% of the fund
1.	Industrials	49.4
2.	Information technology	14.7
3.	Health care	11.8
4.	Real estate	11.0
5.	Consumer staples	3.0
6.	Consumer discretionary	2.7
7.	Financials	2.5
8.	Communication services	0.9
9.	Materials	0.5
	Cash	3.5

10 largest holdings

Holding	% of the fund
Trelleborg B	7.7
Addtech B	6.1
Lagercrantz B	3.9
Nolato B	3.8
Bufab	3.4
Sagax B	3.3
Beijer Ref B	3.3
Beijer Alma B	3.2
Lifco B	3.2
Hexpol B	3.1
Total 10 largest holdings	40.9
Cash	3.5
Total number of holdings	51

Major changes during the month

Buy

Balder
Nyfosa
Lifco

Sell

Wihlborgs
Viaplay
Huhtamäki

Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

Financial ratios¹

	Lannebo Småbolag	Benchmark
Sharpe ratio	0.4	0.5
Total risk (%)	29.6	27.9
Tracking error	4.7	
Information ratio	-0.6	
Alpha	-0.2	
Beta	1.0	
Active share (%)	71	
Portfolio turnover ratio (06/30/22)	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)	178.32
Fund size (EURm)	2,568
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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