

# Lannebo Sverige Hållbar

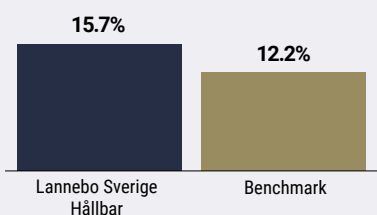
Swedish-registered equity fund

Monthly report July 2022

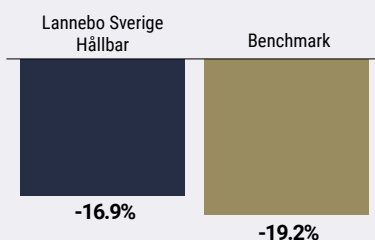
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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

## Monthly performance



## Performance YTD



Charlotta Faxén and Peter Lagerlöf.

## Performance\*

Performance. %	Lannebo Sverige Hållbar <sup>1</sup>	Benchmark <sup>2</sup>
July 2022	15.7	12.2
Year-to-date 2022	-16.9	-19.2
3 years	37.6	44.3
5 years	66.4	70.0
10 years	248.9	242.3
Since launch (01/10/10)	238.3	255.9
Average annual return 24 months	10.4	12.4
2021 <sup>3</sup>	23.0	39.3
2020 <sup>3</sup>	24.1	14.8
2019 <sup>3</sup>	34.2	35.0
2018 <sup>3</sup>	-0.7	-4.4
2017 <sup>3</sup>	5.0	9.5

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

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

<sup>3</sup> The performance is based on closing prices.

\*Net of fees

## Subdued inflation concerns lifts stock market

### Alfa Laval delivered a strong earnings report

Equity markets globally rose sharply during July. This was mainly due to signs that inflation may have passed the peak and that interest rate increases will therefore not be as large as feared, plus companies surprised positively during the reporting season. In the Nordics, all equity markets rose sharply, with Sweden at the top and Finland at the bottom, and small caps rose more than large caps.

A mix of macro- and micro factors drove stock markets up in July. Economic indicators were generally poor, which would suggest a weak stock market. However, top of mind for the market were inflation signals, rather than the economy and the risk of recession. We can affirm that many commodity prices continued to fall sharply, which signals that the rate of increase in consumer prices will soon pass the peak.

The improvement in the inflation outlook contributed to a marked decline in long-term interest rates in both Europe and the US. Ten-year yields fell by as much as 60 basis points in Germany, while the decline was more modest in the most indebted EU countries. The increased spread of government bond yields across the EU prompted the ECB to act in connection with the decision to raise

## Monthly performance, %

Jan	Feb	Mar	Apr	July	Jun
-11.8	-7.1	4.7	-3.1	-2.1	-11.7
Jul	Aug	Sep	Okt	Nov	Dec
15.7	-	-	-	-	-

key interest rates by 50 basis points; the ECB launched a new monetary policy instrument that will contribute to lesser interest rate differences between countries.

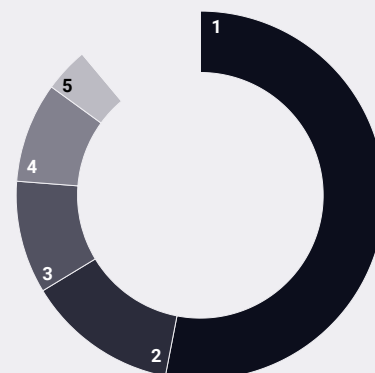
Central banks were very active during the month, where almost all raised interest rates in the wake of the current high inflation. The Fed smacked on another increase of 75 basis points, which took the Fed funds rate up to 2.5 per cent. The Riksbank struck with a 50-point increase and signaled further increases in the Autumn.

Economic indicators were mixed in July. Overall, most indications are that the world economy is headed for worse times, but how deep and long-lasting the downturn will be is uncertain. All household consumption indicators were weak and consumer sentiment is at its lowest in decades. Purchasing power has deteriorated significantly in the wake of higher interest rates, rising electricity and fuel prices and an increased cost for food. Industrial demand is slowing, but still growing. However, signals from the labor market remain strong with rising employment and labor shortages in many occupations.

It is difficult to find traces of a recession in the Q2 earnings. Industrial companies disclosed continued rising sales and well-filled order books, while profitability remained at high levels. Consumer goods companies are having a tougher time given, in addition to the fact that consumption has slowed down, it takes a long time to compensate for rising input product prices. Among the portfolio companies, we can highlight Alfa Laval - a company that benefits from an increased focus on energy efficiency - that released a really positive earnings report. The foremost disappointing Q2 report was from Electrolux, where profit margins shrank much more than expected.

We completed only a few transactions during July. The reporting season did not offer any notable news, and most of the portfolio companies reported better or in line with our expectations. We did not make any purchases during July, but we did reduce holdings in Systemair, Nibe and Thule. We reduced Nibe after a strong share price development during the summer; we assessed a risk that Systemair and Thule's profits will not reach expectations during the Autumn.

## Sector allocation



#	Sector	% of the fund
1.	Industrials	53.1
2.	Energy	13.3
3.	Consumer discretionary	9.9
4.	Health care	8.8
5.	Information technology	3.9
7.	Financials	3.6
	Cash	7.5

## 10 largest holdings

Holding	% of the fund
Atlas Copco B	6.9
OX2	6.4
NIBE Industrier B	5.8
Alfa Laval	5.4
GARO	5.0
ABB	4.5
Bravida	4.4
Rejlers B	4.2
Hexagon B	3.9
AstraZeneca	3.8
Total 10 largest holdings	50.1
Cash	7.5
Total number of holdings	27

## Major changes during the month

Buy

-

Sell

Systemair

Nibe

Thule

## Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

## Financial ratios <sup>1</sup>

	Lannebo Sverige Hållbar	Benchmark
Sharpe ratio	0.6	0.7
Total risk (%)	23.8	21.3
Tracking error	7.6	
Information ratio	-0.4	
Alpha	-0.2	
Beta	1.1	
Active share (%)	76	
Portfolio turnover ratio (06/30/22)	0.6	

## Fund facts

Fund manager	<b>Charlotta Faxén &amp; Peter Lagerlöf</b>
Launch date	<b>01/10/10</b>
Launch date share class	<b>20/12/18</b>
NAV per unit (SEK)	<b>2 260.77</b>
Fund size (SEKm)	<b>1,400</b>
Ongoing charges (%)	<b>1.64</b>
Bankgiro	<b>5314-3772</b>
ISIN	<b>SE0011973684</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>549300Y41WZFNIE996</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.com](http://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.



Lannebo Fonder AB  
Postal address: Box 7854, 103 99 Stockholm  
Visiting address: Kungsgatan 5



Phone: +46 (0)8-562 252 00  
Customer serv: +46(0)8-562 252 22



E-mail: [info@lannebo.se](mailto:info@lannebo.se)  
Website: [lannebo.com](http://lannebo.com)  
Registration no: 556584-7042

**LANNEBO**