

LANNEBO

Lannebo Småbolag

Swedish-registered equity fund, EUR

Monthly report August 2022

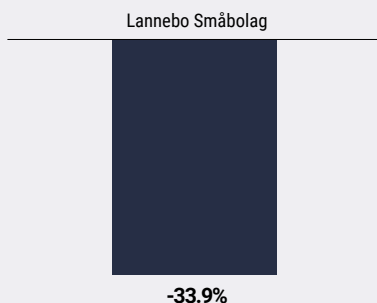
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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
August 2022	-12.2
Year-to-date 2022	-33.9
3 years	22.4
5 years ¹	37.7
10 years ¹	238.3
Since launch (08/04/00) ¹	1 174.1
Average annual return 24 months	-1.2
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

Risk appetite drops on renewed concerns over interest rates

Strong earnings from Instalco

Hawkish comments from the world's central banks and, inherently, rising interest rates weighed on stock markets globally during the month. Several companies pointed out in their quarterly earnings that signs of component shortages were beginning to subside. This is likely a function of increasing supply, but, to some extent, also falling demand given companies now maintain a components buffer.

There are several factors indicating inflation has peaked. However, central banks want inflation to come down towards the inflation target in a lasting way - consequently requiring a period of higher interest rates. This will likely lead to a reduction in aggregate demand and thus dampen inflationary pressures. In such a scenario, however, monetary policy will likely lead to a recession. As mentioned in previous monthly commentaries, in our opinion – despite short-term worries - there are currently several interestingly valued companies on the stock market for the long-term investor.

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-14.6	-10.2	5.4	-3.5	-3.6	-16.9
Jul	Aug	Sep	Oct	Nov	Dec
20.5	-12.2	-	-	-	-

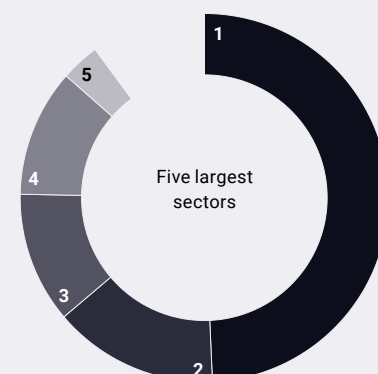
Among this month's quarterly earnings releases, ALK-Abelló, Instalco and Fortnox stood out positively. In early August, the Danish pharmaceutical company ALK-Abelló raised its full year revenue and profit forecast, and later in the month the company presented strong earnings with stable growth and continued margin improvements. However, the shares lost 5 per cent during the month.

The installation company Instalco released a positive earnings report, especially in the light of a slowdown in the construction sector. Turnover increased 34 per cent, of which 6 per cent was organic. Operating profit grew close to 30 per cent and cash flow was strong. The share price increased 7 per cent. Software company Fortnox, which provides software to small and medium-sized companies in Sweden, continued to report good earnings. Despite high organic growth, rising margins and good cash flow, the shares lost 17 per cent in the negative stock market climate.

Beijer Alma, Fagerhult and Elekta were on the negative side with regards to earnings releases. Beijer Alma reported an unchanged profit, despite significantly higher turnover, due to falling margins in its subsidiary Lesjöfors. This was primarily due to the exit from the highly profitable Russian springs business, together with inefficient production due to supply chain disruptions. The share price fell 20 per cent. Lighting company Fagerhult delivered organic growth, but margins narrowed, leading to a 10 per cent decrease in the operating profit. Fagerhult's share price fell 17 per cent. Radiation therapy company Elekta continued to be weighed down by problems with execution and component shortages. Elekta's turnover grew, but at a significantly higher cost, which led to a decline in profit of around 30 per cent for the quarter. The share price fell 15 per cent.

During the month, we increased the holdings in Beijer Ref, Thule and AAK. The holding in Elekta was reduced, both prior to and following the release of earnings. The holdings in Trelleborg and Bravida were also marginally reduced for portfolio construction reasons.

Sector allocation



#	Sector	% of the fund
1.	Industrials	49.3
2.	Information technology	14.5
3.	Real estate	11.5
4.	Health care	11.2
5.	Consumer staples	3.4
6.	Consumer discretionary	2.9
7.	Financials	2.7
8.	Communication services	0.9
9.	Materials	0.4
	Cash	3.2

10 largest holdings

Holding	% of the fund
Trelleborg B	7.5
Addtech B	5.8
Lagercrantz B	3.9
Nolato B	3.9
Beijer Ref B	3.6
Sagax B	3.4
Lifco B	3.3
Hexpol B	3.3
Balder B	3.2
Bufab	3.1
Total 10 largest holdings	40.9
Cash	3.2
Total number of holdings	50

Major changes during the month

Buy

Beijer Ref
Thule
AAK

Sell

Elekta
Trelleborg
Bravida

Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

Financial ratios¹

	Lannebo Småbolag	Benchmark
Sharpe ratio	0.1	0.2
Total risk (%)	30.7	29.1
Tracking error	4.6	
Information ratio	-0.8	
Alpha	-0.3	
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)	156.52
Fund size (EURm)	2,233
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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