

# Lannebo Sustainable Corporate Bond

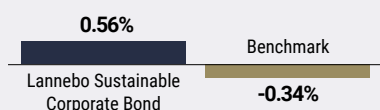
Swedish-registered fixed income fund, SEK

Monthly report August 2022

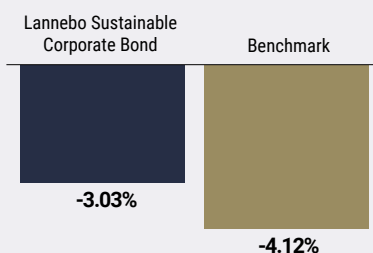
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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



## Performance YTD



**Katarina Ponsbach Carlsson and Karin Haraldsson**

## Performance\*

Performance (%)	Lannebo S. C. B.	Benchmark <sup>1</sup>
August 2022	0.6	-0.3
Year-to-date 2022	-3.0	-4.1
Since launch (02/18/20)	1.2	-2.7
Average annual return 24 months	16.6	16.1
2021 <sup>2</sup>	2.6	0.1
2020 <sup>2</sup>	1.8 <sup>3</sup>	1.3 <sup>3</sup>

<sup>1</sup> Before 06/01/20 the benchmark of the fund was Nasdaq OMX Credit SEK TR Index.

<sup>2</sup> The performance is based on closing prices. \*Net of fees

<sup>3</sup> Refers to the period 02/18/20 - 12/31/20.

## Increasing rate of return

### A summer lull on the new issues front

The credit market continued to increase during August, although uncertainty increased towards the end of the month and the risk appetite subsided. Financial markets continued to focus on inflation as interest rates climbed again after retreating in July. This is primarily explained by the undoubtable signals from central banks globally that interest rates will go significantly higher in order to deal with inflationary pressures. The US Fed clearly emphasized this during their annual speech at the Jackson Hole conference, which contributed to a weak end to the month.

At the end of June, the Riksbank followed up its April rate increase by raising its key interest rate 0.5 percentage points to 0.75 per cent. The Riksbank guided for further rate increases this year and forecasted that the policy rate would be just below 2 per cent at the beginning of 2023. Stibor, which is the basis for interest rates on our variable rate Swedish bonds, fell from 1.36 to 1.27 per cent.

Long-term market rates, which have risen sharply during the year, continued their upward trajectory during the month. The interest rate on a Swedish 5-year government bond rose from 1.6 per cent

## Monthly performance %

Jan	Feb	Mar	Apr	May	Jun
0.0	-1.6	0.0	-0.2	-1.2	-2.9
Jul	Aug	Sep	Oct	Nov	Dec
1.0	0.6	-	-	-	-

to 2.1 per cent. We assess it as healthy to have interest rates that are not too low; plus, we maintain a low interest rate duration by investing in floating rate bonds to protect the fund against rising interest rates.

Bonds issued by real estate companies were traded down earlier this year due to concerns over how these companies would cope when financing costs increased. Interest in the sector increased somewhat during the last months of summer, and prices rose - albeit from low levels.

We did not invest in any new bonds during the month. Our strategy is to maintain a low interest rate duration to protect the fund against rising interest rates. We do this by primarily investing in FRN loans, which are bonds with a variable interest rate. The fund hedges all foreign currency exposure to Swedish kronor. At the end of the period, the average credit duration was 2.2 years and the interest duration was 0.5 years.

Due to higher interest rates and widening credit spreads, the rate of return increased to approximately 4.5 per cent before management fees, given an unchanged interest rate situation.

At the end of the month, Lannebo Corporate Bond was merged into Lannebo Sustainable Corporate Bond. The aim is to reduce administration, which we expect will lead to positive effects for all unitholders.

## Credit rating distribution



	Credit scoring securities	% of the fund
<b>Investment grade</b>	AAA	0.4
	AA+/AA/AA-	0.0
	A+/A/A-	5.7
	BBB+/BBB/BBB-	47.3
<b>High yield</b>	BB+/BB/BB-	34.9
	B+/B/B-	1.5
	CCC/CC/C	0.0
<b>Default</b>	D	0.0
<b>Cash/other</b>		10.2

The share of the fund with an official credit rating amounted to 50.7 per cent.

## 10 largest holdings

Holding	% of the fund
Tryg Forsikring A/S	5.4
Storebrand Livsforsikring	4.3
Småkraft As	4.1
Velliv	4.1
Dnb Bank	3.6
Castellum	3.2
Vattenfall	3.2
Mowi	3.0
Aker Horizons	2.9
Open Infra	2.9
<b>Total 10 largest issuers</b>	<b>36.7</b>
<b>Cash</b>	<b>10.2</b>
<b>Total number of issuers</b>	<b>58</b>

## Major changes during the month

Buy

-

Sell

-

## Risk and reward profile

Lower risk Higher risk

1	2	3	4	5	6	7
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## Financial ratios

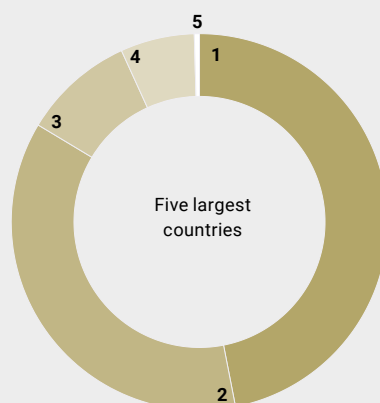
	Lannebo S. C. B.	Benchmark
Total risk (%)	2.3	1,5
Interest-rate duration (years)	0,5	
Credit duration (years)	2,6	
Portfolio turnover ratio (06/30/22)	0,3	

## Maturity profile\*

	% of the fund
< 1 year	7
1-3 years	32
3-5 years	30
> 5 years	4

\*The maturity profile of the fund excludes cash.

## Country allocation



#	Country	% of the fund
1	Sweden	42.1
2	Norway	32.9
3	Denmark	8.6
4	Finland	5.7
5	Intergovernmental body	0.4
6	Cash	10.2

## Fund facts

Fund manager	<b>Karin Haraldsson &amp; Katarina Ponsbach Carlsson</b>
Launch date	<b>02/18/20</b>
NAV per unit (SEK)	<b>101.24</b>
Fund size (SEKm)	<b>582</b>
Ongoing charges	<b>0.92%</b>
Bankgiro	<b>5441-9569</b>
ISIN	<b>SE0013646866</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>549300VD1CKLHX5LM106</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 [en.lannebo.se](http://en.lannebo.se). 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 but at a lower risk than equity funds.
- Want an actively managed fund where a thorough company analysis creates long-term returns.
- Want to invest sustainably for a better environment and future.

## The fund's investment policy

Lannebo Sustainable Corporate Bond is an actively managed fixed income fund that invests mainly in corporate bonds issued by companies in the Nordic region, and to some extent in the rest of Europe. The fund invests in green bonds, bonds issued by companies that considered sustainable or that produce goods or services that aim to solve sustainability challenges. The average rating of the Fund's investments is at least investment grade, BBB-.

## Explanations

### Benchmark

Solactive SEK IG Credit Index.

### Interest-rate duration

Weighted average life.

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

### Total risk

Given as the standard deviation of variations in the total return of the fund or index.

### Credit duration

Weighted average maturity.



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