

Lannebo Sverige Plus

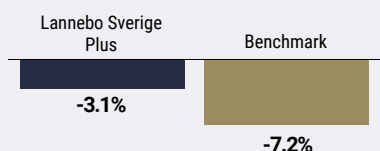
Swedish-registered equity fund

Monthly report August 2022

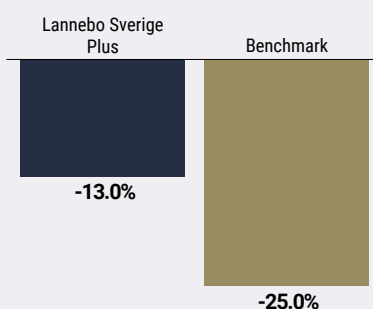
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2022 Feb 2022 Mar 2022 Apr 2022 May 2022 Jun 2022 Jul 2022 **Aug 2022** Sep 2022 Oct 2022 Nov 2022 Dec 2022

Monthly performance



Performance YTD



Martin Wallin & Robin Nestor

Reduced consumption – now and in the future

The EU's energy problems are significant, but manageable

The Stockholm Stock Exchange fell back during August and SIXPRX fell by 7 per cent. The collective message in quarterly earnings reports released by our portfolio holdings is that demand is good, where sales are supported by price increases and currency movements. Profit margins continued to be pressured from rising costs, which, to varying degrees, can be passed on to customers. However, there is significant uncertainty and we expect a slowdown during the end of the year and into 2023. Profit forecasts and share prices in some cases reflect a negative development, while some shares continue to trade at high prices with, in our view, overly positive expectations.

The European Central Bank, ECB, lags behind the US FED in number of rate increases, and the difference is currently 2.5 percentage points. Increasingly, central banks are steering towards a recession in order to bring down the bubbling price pressure. Even though our most likely scenario is a manageable reduction in demand, there is risk of a prolonged rate hike cycle.

Performance*

Performance. %	Lannebo Sverige Plus	Benchmark
August 2022	-3.1	-7.2
Year-to-date 2022	-13.0	-25.0
3 years	42.8	35.4
5 years	62.9	59.0
10 years	282.0	225.9
Since launch (12/11/08)	626.9	486.9
Average annual return 24 months	12.2	7.6
2021 ¹	33.1	39.3
2020 ¹	11.7	14.8
2019 ¹	22.6	35.0
2018 ¹	-0.7	-4.4
2017 ¹	8.8	9.5

¹ The performance is based on closing prices.

* Net of fees

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-1.1	-10.2	-1.8	2.0	1.1	-8.7
Jul	Aug	Sep	Oct	Nov	Dec
9.5	-3.1	-	-	-	-

European energy supplies will become a challenge as temperatures fall. Given gas supplies have decreased significantly, measures are required to cope with the situation. Within the RePowerEU initiative, member states have agreed on a 15 per cent reduction in gas consumption. Simplified, the math must add up to have a balance between energy demand and supply. If the EU reduces total demand by 15 per cent, the Russian gas loss, which corresponds to approximately 40 per cent, is partially compensated. At the same time, it will be possible to use filled gas stocks, where Germany has now reached up to 84 per cent, corresponding to nearly 30 per cent of the country's annual gas consumption. Total storage capacity in Europe corresponds to approximately 25 per cent of annual gas consumption. Increased gas imports from the USA and Qatar also contribute positively. Accordingly, these measures compensate, but reality is more difficult and variations among countries are significant, leading to potential exceptional price movements that burden companies and consumers.

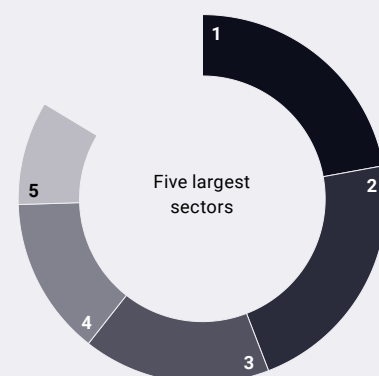
Holdings in SSAB and Ericsson performed better than the market as a whole, with share price increases of 8 and 4 per cent respectively. SSAB continued to increase in August after the share bottomed out in early July together with the SIXPRX, which hit its lowest level of the year. SSAB maintains an electricity cost advantage relative to their competitors, which last year accounted for half the company's energy supply. As expected, SSAB's product prices weakened significantly, and the operating profit is expected to fall about 70 per cent between 2022 and 2023. Even when considering the profit decline for next year, we believe that the cash flow from the business is attractively valued.

Underlying demand for Ericsson's products is good and should be sustained even in a weaker economy. Operators are compelled to invest in order to remain competitive, where new technology is more energy efficient and therefore reduces operational costs.

Elekta and H&M developed poorly in August, with share price decreases of 16 and 14 per cent respectively. Elekta reported its Q1 for the financial year where the gross margin increased to 38.9 per cent driven by a good product mix. However, order intake developed negatively and costs remained high, and the company, therefore, initiated an efficiency program in order to save SEK 450 million annually, or approximately 2.5 per cent of turnover. Our view is that Elekta's current challenges are more than well reflected in the share's valuation.

H&M is likely to face a period of reduced demand together with challenges in maintaining retail prices. While the future looks uncertain and profit expectations may be lowered, the share price is at the same level as at the most pressured period during covid-19 - March 2020.

Sector allocation



#	Sector	% of the fund
1.	Industrials	22.3
2.	Financials	22.2
3.	Information technology	16.6
4.	Consumer discretionary	14.0
5.	Health care	9.2
6.	Communication services	5.7
7.	Materials	2.7
8.	Consumer staples	1.1
9.	Real estate	-0.7
	Cash	7.0

10 largest holdings

Holding	% of the fund
Ericsson B	6.5
Nokia EUR	6.3
Handelsbanken A	6.1
Swedbank A	6.0
Millicom SDB	5.7
Trelleborg B	4.8
Sandvik	4.7
Electrolux B	4.7
SKF B	4.7
Nordea	4.5
Total 10 largest holdings	53.9
Cash	7.0
Total number of holdings	33

Major changes during the month

Buy

Husqvarna
Ericsson
Sandvik

Sell

SEB
Trelleborg
Nokia

Risk and reward profile

Lower risk						Higher risk	
1	2	3	4	5	6	7	

Financial ratios

	Lannebo Sverige Plus	Benchmark
Sharpe ratio	0.7	0.5
Total risk (%)	18.9	22.1
Tracking error	11.9	
Information ratio	0.4	
Alpha	0.5	
Beta	0.7	
Active share	79	
Gross equity exposure (%)	104	
Net equity exposure (%)	93	
Portfolio turnover ratio (06/30/22)	1.6	

Fund facts

Fund manager	Martin Wallin & Robin Nestor
Launch date	12/11/08
NAV per unit (SEK)	70.86
Fund size (SEKm)	4,791
Ongoing charges	1.01% + 20% of any excess return
Return threshold	SIX Portfolio Return Index
Bankgiro	346-3585
ISIN	SE0002686584
Trading frequency	Daily
Minimum investment amount	SEK 100
PPM number	490 292
Supervisory authority	Finansinspektionen
LEI	549300W8FUNESQQE9448

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 a Swedish equity fund with greater opportunities.
- Want an actively managed fund with investments based on a clear understanding of each individual.

The fund's investment policy

Lannebo Sverige Plus is an actively managed equity fund that primarily invests in shares on the Swedish equity market. The fund is similar to a traditional equity fund, but with more flexible investment rules. The "Plus" label reflects the fund's ability to invest more than 100 per cent of the fund's assets. For example, the fund can invest 130 per cent in shares that the fund managers are positive about and balance this by reducing its equity exposure by 30 per cent through the sale of shares that the fund does not own. i.e. short selling.

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 risk adjusted return. 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
Website: lannebo.com
Registration no: 556584-7042

LANNEBO