

Lannebo Sverige

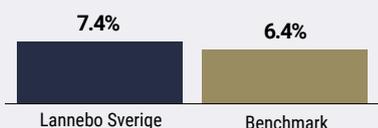
Swedish-registered equity fund

Monthly report October 2022

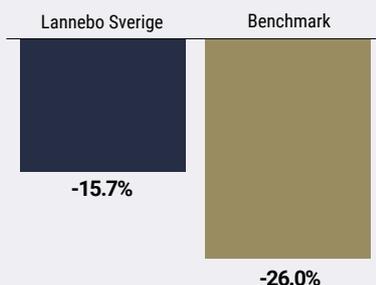
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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



Martin Wallin & Robin Nestor

Performance*

Performance, %	Lannebo Sverige	Benchmark
October 2022	7.4	6.4
Year-to-date 2022	-15.7	-26.0
3 years	25.4	24.8
5 years	40.9	45.5
10 years	214.2	216.0
Since launch (08/04/00)	583.2	425.8
Average annual return 24 months	11.9	7.8
2021 ¹	32.3	39.3
2020 ¹	10.4	14.8
2019 ¹	21.9	35.0
2018 ¹	-1.2	-4.4
2017 ¹	7.4	9.5

¹ The performance is based on closing prices.
*Net of fees

Waiting for the recession

Corporate profits remain at high levels

During October, the fund and the Stockholm Stock Exchange increased from what was, so far, the years lowest point at the end of September. Inflation continues to be the most precarious data point, which is repeatedly reported at continued high levels. However, there are bright spots starting to shine through with both falling commodity prices and shipping costs. Rising wages and expansive fiscal policies continue to drive inflation - forced through to dampen the effects of rising costs to consumers.

The effects Covid-19 had on society and companies are now fading away. Similar to the normalization of profits for "Corona winners", we now see lower company valuations as a normalization after a special period. Central banks have since 2019 in particular, but also during the prior ten-year period, directed financial markets in an extreme way. We believe that the remarkably low interest rate environment is now gone for good.

The overall view from Q3 earnings releases is that demand remains good. Even when adjusting for price increases and currency gains

Monthly performance,%

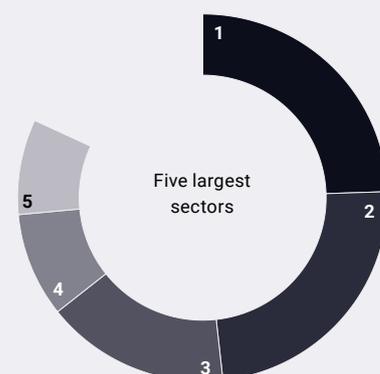
Jan	Feb	Mar	Apr	May	Jun
-1.9	-10.6	-1.3	1.5	1.0	-9.5
Jul	Aug	Sep	Oct	Nov	Dec
9.8	-3.4	-7.9	7.4	-	-

that have strengthened earnings development, the slowdown in demand is very marginal. We are still waiting for the imminent recession.

The holdings in Electrolux and Trelleborg performed better than the market as a whole, with increases of 17 and 16 per cent respectively. Electrolux, which had previously announced a weak Q3, reported a negative operating result that was lower than expected. Problems in the US operations continued, which led to substantial losses. Factory conversions are largely complete, but production efficiency is poor with high costs and low volumes. The company is making further cost savings with the hope of a positive profit impact of SEK 4–5 billion in 2023. Electrolux is far below its profit capacity. Trelleborg is developing well and, after structural changes, has reduced both the seasonal and cyclical volatility on sales and profits.

Millicom and Ericsson developed poorly in October and fell by 7 and 6 per cent respectively. Telecom operator Millicom reported for the period a stable result and cash flow. The conversion of customers from prepaid cards to subscriptions is ongoing, while at the same time the company continued with investments in mobile networks. The sale of the company's mobile towers is still planned for 2023, which will reduce indebtedness with a limited impact on earnings. Ericsson's earnings report received a chilly reception and the share price fell sharply. The overall result was disappointing, but the company's operations tend to seesaw between quarters. The result for Networks, the largest business area, was good, while losses in other areas were greater than expected. We assess that the negative effects in the quarter - such as low patent revenue, weak product mix and certain higher costs - will be reversed in 2023.

Sector allocation



#	Sector	% of the fund
1.	Industrials	24.5
2.	Financials	23.8
3.	Information technology	16.1
4.	Consumer discretionary	9.2
5.	Communication services	8.4
6.	Health care	8.4
7.	Consumer staples	4.0
8.	Materials	3.6
	Cash	2.1

10 largest holdings

Holding	% of the fund
Ericsson B	7.7
Swedbank A	7.4
Handelsbanken A	6.5
SKF B	6.1
Millicom SDB	6.0
Nokia SEK	5.1
Sandvik	4.7
Trelleborg B	4.5
Electrolux B	4.3
Autoliv SDB	4.2
Total 10 largest holdings	56.5
Cash	2.1
Total number of holdings	27

Major changes during the month

Buy

Tele2
Ericsson
Millicom

Sell

HM
Volvo
Nordea

Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

Financial ratios

	Lannebo Sverige	Benchmark
Sharpe ratio	0.7	0.5
Total risk (%)	20.1	22.5
Tracking error	11.2	
Information ratio	0.4	
Alpha	0.5	
Beta	0.8	
Active share	76	
Portfolio turnover ratio (06/30/22)	1.4	

Fund facts

Fund manager	Martin Wallin & Robin Nestor
Launch date	08/04/00
NAV per unit (SEK)	51.42
Fund size (SEKm)	2,917
Ongoing charges (%)	1.63
Bankgiro	5563-4604
ISIN	SE0000740680
Trading frequency	Daily
Minimum investment amount	SEK 100
PPM number	806 869
Supervisory authority	Finansinspektionen
LEI	549300GJSC541WIWX079

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 take part in developments on the Swedish equity market.
- Want an actively managed fund with investments based on a clear understanding of each individual company.

The fund's investment policy

Lannebo Sverige is an actively managed equity fund that invests in shares on the Swedish equity market.

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.



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