

Lannebo Teknik

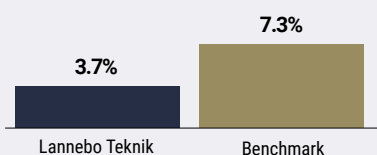
Swedish-registered equity fund

Monthly report October 2022

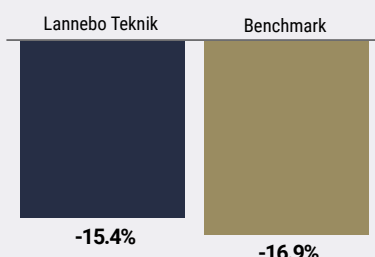
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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

Monthly performance



Performance YTD



Johan Nilke and Helen Groth

Performance*

| Performance. % | Lannebo Teknik | Benchmark |
|---------------------------------|----------------|-----------|
| October 2022 | 3.7 | 7.3 |
| Year-to-date 2022 | -15.4 | -16.9 |
| 3 years | 53.4 | 51.8 |
| 5 years | 112.8 | 129.0 |
| 10 years | 567.1 | 628.1 |
| Since launch (08/04/00) | 55.8 | 187.1 |
| Average annual return 24 months | 10.8 | 13.6 |
| 2021 ¹ | 31.4 | 41.5 |
| 2020 ¹ | 29.5 | 23.0 |
| 2019 ¹ | 40.6 | 50.8 |
| 2018 ¹ | 7.3 | 6.1 |
| 2017 ¹ | 16.3 | 24.2 |

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

Strong reactions to quarterly earnings

Oracle announces new higher financial goals

October was a volatile month to say the least. Inflation and interest rate increases continued to affect the market, but, as the month went on, corporate earnings progressively took more of the focus. At the same time, we also noticed that inflation had affected earnings, where costs had increased for many companies resulting in lower margins. This is something we will see more of in the coming quarters as cost increases negatively affect margins while price increases have a positive effect. Results will be significantly impacted depending on when the two kick in and which opportunities companies have for price increases.

Earnings and the corresponding comments were also mixed when it came to demand; but, generally speaking, growth continued to be good - to some extent driven by currency changes and price increases. In contrast, the declining economy is already a reality for more consumer- and advertising-centric companies. We also noted that order intake was somewhat weaker in some areas, partly because relief with regard to component shortages led to a reduced need for inventory build-up.

Monthly performance, %

| Jan | Feb | Mar | Apr | May | Jun |
|------|------|------|------|------|------|
| -6.5 | -2.5 | 1.5 | -6.2 | -2.8 | -4.9 |
| Jul | Aug | Sep | Oct | Nov | Dec |
| 9.6 | -0.1 | -7.2 | 3.7 | - | - |

All in all, there are many variables that will affect future quarterly earnings, which can cause significant share price movements. As long-term investors, our job is, as always, to identify items in the quarterly earnings reports that might change our long-term view of the companies' development. Digitization is far from complete and will continue to drive technology-driven growth over an extended period of time. Nevertheless, some companies are, more or less, affected short-term by a declining economy.

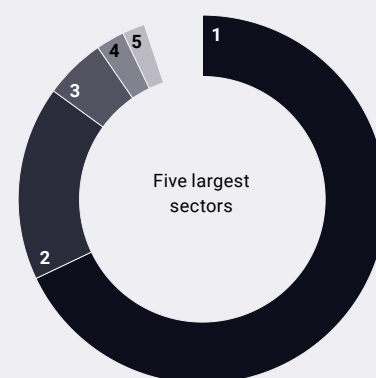
Amazon is one company that is negatively affected by declining consumer demand, which was also the fund's largest negative contributor during the month. The company released an earnings report that disclosed worse-than-expected growth in both e-commerce and cloud services, as well as continued margin pressure from higher costs for energy, wages, goods and shipping. There is also some concern over how demand in the upcoming Christmas season will be affected by the economy. At the same time, the company continues its work to streamline operations and we see good growth in cloud services and advertisements, which have a higher margin.

Oracle was the biggest positive contributor in October. The company, which has a broken fiscal year, released earnings in September that were in line with market expectations. What caused the share price to develop strongly in October was the launch of new higher financial targets during their big Cloud World event. The goals mean that by 2026, Oracle will reach \$65 billion in organic revenue, a 45 per cent EBIT margin, and grow earnings per share by 10 per cent annually. It was significantly more than we, and the market, had expected and the share reacted positively. The fact that management dares to adopt these higher goals in a declining economy indicates a strong belief in Oracle's business and potential.

During October, we continued to increase investments based on the fund's emphasis on the theme of sustainability through investments in Tomra and First Solar. Tomra provides the opportunity to buy a quality company that is a world leader in its niche at a lower price level. We commented First Solar in last month's report and the company has since released quarterly earnings. The quarter came in somewhat weak, but the outlook, both in terms of margin and growth, was better than expected.

Zur Rose has not developed as we expected and we divested the remaining share of the holding during the month. We continue to follow the e-pharmacy market and the progress of e-prescriptions in Europe, but choose to wait with an investment in Zur Rose. We want to see clearer progress in the rollout of e-prescriptions.

Sector allocation



| # | Sector | % of the fund |
|----|------------------------|---------------|
| 1. | Information technology | 68.0 |
| 2. | Communication services | 17.1 |
| 3. | Consumer discretionary | 5.4 |
| 4. | Health care | 2.5 |
| 6. | Industrials | 2.0 |
| 7. | Financials | 0.6 |
| | Cash | 4.5 |

10 largest holdings

| Holding | % of the fund |
|----------------------------------|---------------|
| Microsoft | 7.5 |
| Alphabet Class A | 6.7 |
| Apple | 5.3 |
| Amazon.com | 5.0 |
| IBM | 4.8 |
| Palo Alto Networks | 4.5 |
| Intuit | 4.0 |
| Mastercard | 4.0 |
| MicroChip Technology | 3.9 |
| Amdocs | 3.8 |
| Summa tio största innehav | 49.6 |
| Likviditet | 4.5 |
| Totalt antal innehav | 37 |

Major changes during the month

Buy

Tomra Systems
First Solar

Sell

Zur Rose

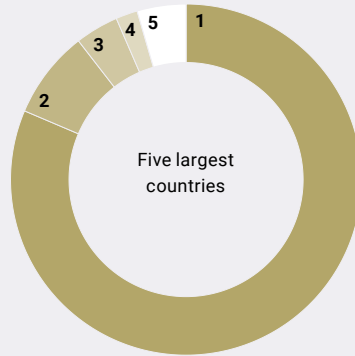
Risk and reward profile

| | | | | | | |
|------------|---|---|---|---|-------------|---|
| Lower risk | | | | | Higher risk | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Financial ratios

| | Lannebo Teknik | Benchmark |
|-------------------------------------|----------------|-----------|
| Sharpe ratio | 0.7 | 0.7 |
| Total risk (%) | 15.9 | 20.0 |
| Tracking error | 7.1 | |
| Information ratio | -0.4 | |
| Alpha | 0.0 | |
| Beta | 0.8 | |
| Portfolio turnover ratio (06/30/22) | 0.1 | |

Geographical split



| # | Country | % of the fund |
|---|----------------------|---------------|
| 1 | United States | 81.4 |
| 2 | Europe, excl. Sweden | 8.1 |
| 3 | Asia | 4.0 |
| 4 | Sweden | 2.0 |
| 5 | Cash | 4.5 |

Fund facts

| | |
|---------------------------|--------------------------------------|
| Fund manager | Johan Nilke & Helen Groth |
| Launch date | 08/04/00 |
| NAV per unit (SEK) | 14.68 |
| Fund size (SEKm) | 6,976 |
| Ongoing charges (%) | 1.62 |
| Bankgiro | 5563-4638 |
| ISIN | SE0000740672 |
| Trading frequency | Daily |
| Minimum investment amount | SEK 100 |
| PPM number | 771 030 |
| Supervisory authority | Finansinspektionen |
| LEI | 549300Y3UW5Y5DPJS002 |

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 global exposure to growth companies primarily in the technology sector.
- Believe in active management and investments based on a clear understanding of each individual company.

The fund's investment policy

Lannebo Teknik is an actively managed equity fund that invests globally in equities in companies with a high content of technology, but can operate in different lines of business. Since the sector is dominated by US companies, most of the fund's assets are normally invested in the US.

Explanations

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.

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



Benchmark

* MSCI World IT 10/40 Net Total Return Index calculated in SEK. 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.

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