

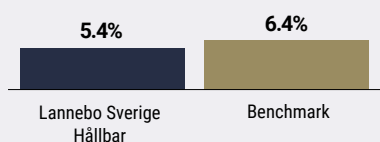
# Lannebo Sverige Hållbar

Swedish-registered equity fund  
Monthly report October 2022

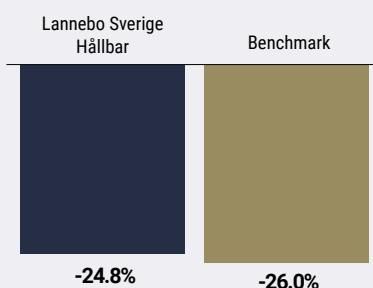
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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



## Performance YTD



Charlotta Faxén and Peter Lagerlöf.

## Performance\*

Performance. %	Lannebo Sverige Hållbar <sup>1</sup>	Benchmark <sup>2</sup>
October 2022	5.4	6.4
Year-to-date 2022	-24.8	-26.0
3 years	20.1	24.8
5 years	43.8	45.5
10 years	210.0	215.4
Since launch (01/10/10)	206.2	225.6
Average annual return 24 months	3.8	7.8
2021 <sup>3</sup>	23.0	39.3
2020 <sup>3</sup>	24.1	14.8
2019 <sup>3</sup>	34.2	35.0
2018 <sup>3</sup>	-0.7	-4.4
2017 <sup>3</sup>	5.0	9.5

<sup>1</sup> Performance of the fund before 20/12/18 is based on Lannebo Utdelningsfond.

<sup>2</sup> Before 10/12/18 the benchmark of the fund was SIX Return Index.

<sup>3</sup> The performance is based on closing prices.

\*Net of fees

## Yo-yo stock market in October

### Balder a new holding

The stock market continued to yo-yo. After a sharp decline in September, the stock market recovered significantly in October, where we find it difficult to determine any single reason for the increase. It was likely a combination of relatively good quarterly earnings releases, falling inflation indicators and, as such, a reduced risk of sharp interest rate increases. Denmark was the best performing market in the Nordics, while Finland rose the least. Both small- and large-cap companies increased on par with each other.

Stock markets globally are nervous, evidenced by, among other things, the large daily price movements of individual stocks and markets. "Everyone" is waiting for a broad downturn in the economy that will ease the pressure on overheated labor markets, which in turn would reduce inflationary pressures and put a stop to central bank interest rate hikes. That would in turn trigger a buy signal based on historical patterns. But, as always, when it comes to the stock market there are no absolute truths and the turnaround may well come at a different time.

The Q3 earnings reports disclosed a fragmented economic picture. Consumer goods centric companies are having a tough time with declining demand together with difficulties in compensating for rising

## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-11.8	-7.1	4.7	-3.1	-2.1	-11.7
Jul	Aug	Sep	Oct	Nov	Dec
15.7	-4.9	-9.7	5.4	-	-

input prices. Interest rate-sensitive industries, such as construction and real-estate, are also challenged. Most industrial companies reported continued good demand, but margins are under pressure despite benefiting from a record strong dollar. However, forestry companies in particular, but also other raw material companies, are having a fantastic time with record prices and profits.

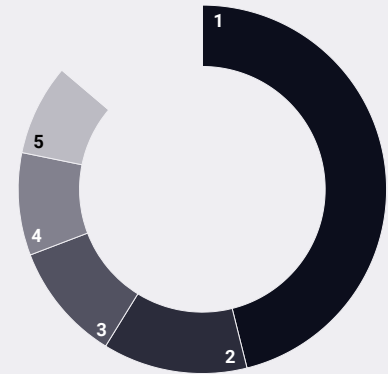
The fourth quarter has plausibly started off weaker for industrial companies as well. Various indicators, such as the purchasing managers' index, are falling sharply and are down to recession levels in Europe, but holding up slightly better in the US. There is no doubt that Europe is going into recession, while opinions remain divided about how much the US economy will slow down. Incoming US macro data and Fed comments will be scrutinized given the US stock market sets the tone for other markets.

First and foremost, we believe labor market data will determine the Fed's monetary policy. The job's market is overheated and there is a major labor shortage, which has pushed the rate of wage growth well above levels consistent with the inflation target; a cooling-off in the jobs market is needed before it is relevant to suspend interest rate hikes.

Balder is a new holding. We assess the company to be well managed, with good cash generation, where the market has become overly concerned about the company's ability to manage debt. The valuation is attractive and there is significant upside when interest rates stabilize. The company receives high sustainability ratings in both our own and external analyses. We also increased our holdings in OX2 and Nibe.

Autoliv, Swedbank and Investor were the largest divestments. Autoliv was divested in its entirety as we see limited upside short-term. There is a clear risk car sales will once again be disappointing given the weak consumption outlook in the coming year. The holdings in Swedbank and Investor were reduced, but both companies remain as large holdings.

## Sector allocation



#	Sector	% of the fund
1.	Industrials	46.1
2.	Energy	12.7
3.	Health care	10.4
4.	Financials	9.0
5.	Consumer discretionary	8.0
7.	Information technology	4.7
8.	Materials	2.9
9.	Real estate	2.0
	Cash	4.2

## 10 largest holdings

Holding	% of the fund
Atlas Copco B	7.5
Alfa Laval	6.0
NIBE Industrier B	5.1
Bravida	5.0
GARO	4.9
OX2	4.9
AstraZeneca	4.8
Hexagon B	4.7
Investor B	4.6
Electrolux B	4.4
Total 10 largest holdings	51.9
Cash	4.2
Total number of holdings	26

## Major changes during the month

### Buy

Balder  
OX2  
Nibe

### Sell

Autoliv  
Swedbank  
Investor

## Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

## Financial ratios <sup>1</sup>

	Lannebo Sverige Hållbar	Benchmark
Sharpe ratio	0.3	0.5
Total risk (%)	24.0	22.5
Tracking error	7.4	
Information ratio	-0.6	
Alpha	-0.3	
Beta	1.0	
Active share (%)	73	
Portfolio turnover ratio (06/30/22)	0.6	

## Fund facts

Fund manager	<b>Charlotta Faxén &amp; Peter Lagerlöf</b>
Launch date	<b>01/10/10</b>
Launch date share class	<b>20/12/18</b>
NAV per unit (SEK)	<b>2 046.07</b>
Fund size (SEKm)	<b>1,261</b>
Ongoing charges (%)	<b>1.64</b>
Bankgiro	<b>5314-3772</b>
ISIN	<b>SE0011973684</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>549300Y41WZFN0E996</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 [lannebo.com](http://lannebo.com). 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 companies that have the best sustainable business practices and contribute to a more sustainable society through their products and services.
- Believe in active management and investments based on a clear understanding of each individual company.
- Want to avoid investments in fossil fuel, tobacco, alcohol, weapons, gambling or pornography.

## The fund's investment policy

Lannebo Sverige Hållbar is an actively managed equity fund that mainly invests in the Swedish stock market but November invest up to 10 percent in stock markets outside Sweden. The fund is a so-called all-cap fund that can invest in all sizes of listed companies. Lannebo Sverige Hållbar follows specific sustainability criteria in its investments. This means that the fund, in addition what is required for all of Lannebo funds, actively invests in companies based on three main areas: A better environment, a healthier lifestyle and a better world.

## 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 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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