

LANNEBO

Lannebo High Yield

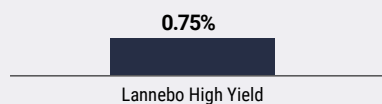
Swedish-registered fixed income fund

Monthly report November 2022

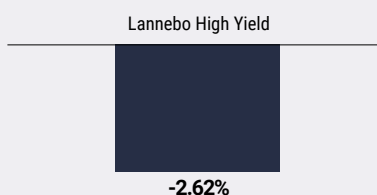
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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

**Katarina Ponsbach Carlsson & Karin Haraldsson**

Stabilized credit market

Primary market is once again open

The credit market stabilized during November and the primary market opened up, but inflation was still in focus. The US Fed made its interest rate announcement at the beginning of November with the expected increase of 75 points to 4 per cent.

In order to reduce the excessively high inflation, the Riksbank also raised its policy rate in November by 0.75 percentage points to 2.5 per cent, which was fully in line with the market's expectations. The forecast shows that the policy rate will likely be raised further at the beginning of next year to be just below 3 per cent. The 3-month Stibor, which is the basis for setting interest rates on our Swedish floating-rate bonds, increased during November from 2.1 to 2.5 per cent.

Long-term market rates, which rose sharply during the year, fell slightly back during the month. The interest rate on a Swedish 5-year government bond fell from 2.4 to 2.0 per cent. The 2-year interest rate continues to trade higher than the 5-year rate, which indicates a belief in a recession with lower interest rates thereafter. We fundamentally believe it is healthy to not have too low interest rates. We maintain a low interest duration in the fund by owning floating rate bonds in order to protect the fund from rising interest rates.

Performance*

Performance (%)	Lannebo High Yield
November 2022	0.8
Year-to-date 2022	-2.6
3 years	-0.2
5 years	5.6
Since launch (01/30/15)	19,5
Average annual return 24 months	2,2
2021 ¹	6.2
2020 ¹	-3.8
2019 ¹	5.0
2018 ¹	1.0
2017 ¹	5.1

¹ The performance is based on closing prices.

*Net of fees

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
0.2	-1.7	0.4	0.6	-0.9	-2.1
Jul	Aug	Sep	Oct	Nov	Dec
0.4	1.4	-1.7	0.0	0.8	-

Earnings season continued during November for our portfolio companies, and results varied depending on the sector. The fiber subcontractor Inteno, which we invested in during August, reported growth of 69.5 per cent and a strengthened margin, which was higher than expected.

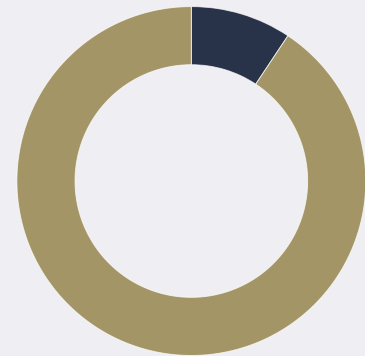
Earnings reports issued by real estate companies showed the effects of higher market interest rates that negatively impacted earnings and cash flow, which also worsened the companies' interest coverage ratio. Despite this, many real estate bonds traded at stagnant levels or strengthened during November, indicating this was already priced-in.

The primary market for Nordic high yield opened up in the latter part of the month. We invested in a new bond issued by the Swedish real estate company Cibus, which owns real estate for grocery retail. The bond has a 3-year term with an interest rate of Euribor + 7 per cent, which we believe is a good return for a company with stable tenants, inflation-adjusted agreements and a good interest coverage ratio. We also extended on a hybrid bond issued by the property company Trianon that is active in the Malmö area and works extensively with social issues. The bond is a sustainable bond, where proceeds are used for both environmental and social projects. Including these investments, our exposure to real estate is relatively limited at below 15 per cent.

We maintained the structure of the fund. Both the credit duration, the average duration of all holdings in the fund, and the interest duration, measured as the average fixed interest period, were basically unchanged during the period.

The rate of return continued to go higher, together with interest rates, and, given an unchanged interest rate situation, is currently about 9 per cent prior to fees.

Credit rating distribution



	Credit scoring securities	% of the fund
Investment grade	AAA	0.0
	AA+/AA/AA-	0.0
	A+/A/A-	0.0
	BBB+/BBB/BBB-	8.5
High yield	BB+/BB/BB-	33.5
	B+/B/B-	47.8
	CCC/CC/C	1.3
Default	D	0.0
Cash/other		9.0

The share of the fund with an official credit rating amounted to 26.2 per cent.

10 largest holdings

Holding	% of the fund
Cibus Nordic Real Estate	3.8
Sbab Bank	3.7
Color Group	3.2
Aktia Bank	3.2
Open Infra	3.1
Ocean Yield	3.1
Seapeak	2.9
Link Mobility Group Holding Asa	2.8
Arwidsro	2.6
Carucel Property As	2.5
Summa tio största emittenter	30.9
Likviditet	9.0
Totalt antal emittenter	45

Major changes during the month

Buy

Castellum

Cibus

Sell

-

Risk and reward profile

Lower risk Higher risk



Financial ratios

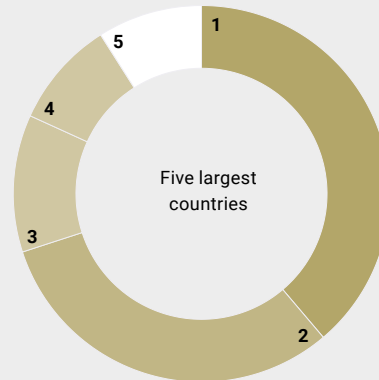
	Lannebo High Yield
Total risk (%)	3.1
Interest-rate duration (years)	0.6
Credit duration (years)	3.2
Portfolio turnover ratio (06/30/22)	0.2

Maturity profile*

	% of the fund
< 1 year	7
1-3 years	55
3-5 years	28
> 5 years	1

*The maturity profile of the fund excludes cash.

Country allocation



#	Country	% of the fund
1	Sweden	38.8
2	Norway	31.2
3	Finland	11.8
4	Denmark	9.2
5	Cash	9.0

Fund facts

Fund manager	Karin Haraldsson & Katarina Ponsbach Carlsson
Launch date	01/30/15
NAV per unit (SEK)	119.54
Fund size (SEKm)	466
Ongoing charges	0.92%
Bankgiro	584-9369
ISIN	SE0006421855
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300XRFDNRDKE3IM10

Risk information

Past returns are no guarantee of future returns. The money invested in the fund november 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 higher return than traditional fixed income funds and who are willing to take on a slightly higher risk.
- Want an actively managed fund where a thorough company analysis creates long-term returns.
- Want a well-diversified fund of corporate bonds.

The fund's investment policy

Lannebo High Yield is an actively managed fixed income fund that primarily invests in High Yield corporate bonds predominantly from issuers in the Nordic region. High Yield bonds are securities issued by companies with a lower credit rating. The average maturity of the fund's holdings is 3-5 years, but November at times deviate from this range. Investments in foreign currency are always hedged.

Explanations

Total risk Given as the standard deviation of variations in the total return of the fund.

Interest-rate duration Weighted average life.

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

Credit duration

Weighted average maturity.



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