

Lannebo Sverige

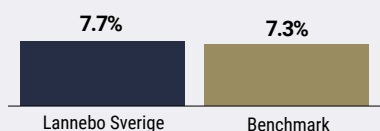
Swedish-registered equity fund

Monthly report November 2022

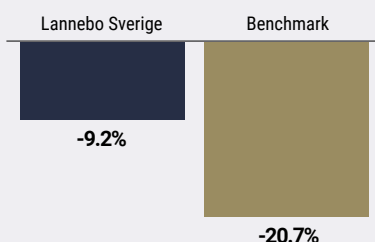
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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



Martin Wallin & Robin Nestor

Performance*

Performance, %	Lannebo Sverige	Benchmark
November 2022	7.7	7.3
Year-to-date 2022	-9.2	-20.7
3 years	36.1	31.3
5 years	55.3	61.7
10 years	225.7	228.7
Since launch (08/04/00)	635.8	464.1
Average annual return 24 months	8.3	5.8
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

Profits today, or tomorrow?

Central banks' intend to reduce their balance sheets

During November, the fund increased by 7.7 per cent, in line with the Stockholm Stock Exchange. Inflation level outcomes and modified interest rate expectations are still central to the market's development. Both the Riksbank and the US Fed raised their key interest rate by 0.75 percentage points reaching 2.5 and 4.0 per cent, respectively. The Swedish krona strengthened against the US dollar during November, breaking a nearly two year period of constant loss in purchasing power. The weakening of the dollar may continue next year if the interest rate difference between the USA and Sweden and Europe decreases.

Together with the recent years historically low interest rate environment, central banks' interventions in financial markets with support purchases of bonds and government securities have driven low yield requirements. We have lived in an environment of quantitative easing more or less since the financial crisis. As concerns over inflation increased, support purchases from the Fed and ECB were reduced and ended during the summer of 2022. The second phase is now to manage the balance sheet that has been

Monthly performance,%

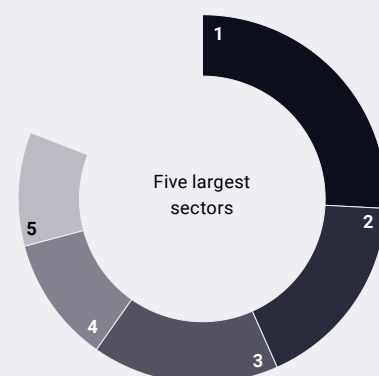
Jan	Feb	Mar	Apr	May	Jun
-1.9	-10.6	-1.3	1.5	1.0	-9.5
Jul	Aug	Sep	Oct	Nov	Dec
9.8	-3.4	-7.9	7.4	7.7	-

built up, where the Fed has approximately SEK 90,000 billion and the ECB has about SEK 35,000 billion to manage. The dismantling of these assets will occur over a longer period, but is an austerity measure.

The holdings in SSAB and Elekta developed better than the market as a whole, with gains of 14 and 10 per cent respectively. SSAB continues to benefit from stable deliveries and a high steel price - above all in North America. The steel and iron ore price, like many raw materials, has seen significant price declines after the summer and further weakening is expected. The company's production structure with manufacturing and sales in the same markets is favorable in their shift towards a more regionalized supplier environment. SSAB's net cash at the end of September amounted to close to SEK 9 billion, which means good opportunities for investment in the transition to fossil-free steel. Elekta reported Q2 earnings where expected headwinds from high costs, limited price adjustments and component problems persisted. The gross margin fell compared to the previous year and amounted to 37.3 per cent, while the operating margin was a low 7.7 per cent. For us, the current level is of less importance given we do not consider it reflects Elekta's future opportunities nor the company's value. The ongoing savings program reduces the cost base and enables, together with reduced effects of Covid-19, future earnings at a significantly higher level than today.

Swedbank and Tobii developed weaker than the market as a whole, increasing by 3 and decreasing by 9 per cent, respectively. Swedbank's earnings are increasing and net profit is expected to grow at around 7 per cent per year between 2019 and 2024. Rising interest rates are nearing a peak and may fall back over the next two-year period. What is relevant, however, is the collective long-term forecast in one year for interest rates and inflation. A repo rate of just over 2 per cent is a favorable environment for banks' profitability. Tobii reported Q3 earnings, where the company's eye tracking software is progressing in the right direction, while the market research product faces a tougher market. The company announced measures to reduce costs and achieve positive earnings by the end of 2023. Sony's second virtual reality headset will be launched in February next year, which is expected to be the start of a long period of VR game launches and increased consumer penetration.

Sector allocation



#	Sector	% of the fund
1.	Financials	25.8
2.	Industrials	17.5
3.	Information technology	16.4
4.	Health care	11.1
5.	Communication services	10.0
6.	Consumer discretionary	8.7
7.	Consumer staples	4.6
8.	Materials	3.7
	Cash	2.1

10 largest holdings

Holding	% of the fund
Ericsson B	7.9
Swedbank A	7.8
Millicom SDB	6.1
Handelsbanken A	5.6
Nokia SEK	5.4
Electrolux B	4.9
Essity B	4.6
Nordea	4.6
SKF B	4.5
SEB A	4.4
Total 10 largest holdings	55.8
Cash	2.1
Total number of holdings	26

Major changes during the month

Buy

Nordea
Tele2
SOBI

Sell

Trelleborg
Alfa Laval
Sandvik

Risk and reward profile

Lower risk					Higher risk	
1	2	3	4	5	6	7

Financial ratios

	Lannebo Sverige	Benchmark
Sharpe ratio	0.5	0.4
Total risk (%)	18.1	21.7
Tracking error	11.0	
Information ratio	0.2	
Alpha	0.3	
Beta	0.7	
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)	55.38
Fund size (SEKm)	3,101
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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