

**LANNEBO**

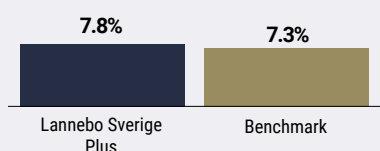
# Lannebo Sverige Plus

Swedish-registered equity fund  
Monthly report November 2022

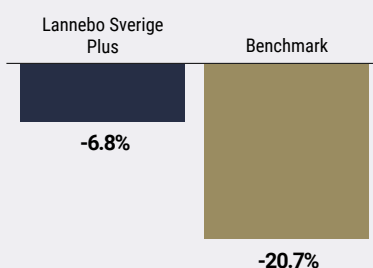
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

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

## Monthly performance



## Performance YTD



Martin Wallin & Robin Nestor

## Profits today, or tomorrow?

### Central banks' intend to reduce their balance sheets

During November, the fund increased by 7.8 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 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.

## Performance\*

Performance. %	Lannebo Sverige Plus	Benchmark
November 2022	7.8	7.3
Year-to-date 2022	-6.8	-20.7
3 years	42.3	31.3
5 years	64.3	61.7
10 years	279.6	228.7
Since launch (12/11/08)	678.3	521.1
Average annual return 24 months	10.3	5.8
2021 <sup>1</sup>	33.1	39.3
2020 <sup>1</sup>	11.7	14.8
2019 <sup>1</sup>	22.6	35.0
2018 <sup>1</sup>	-0.7	-4.4
2017 <sup>1</sup>	8.8	9.5

<sup>1</sup> The performance is based on closing prices.

\* Net of fees

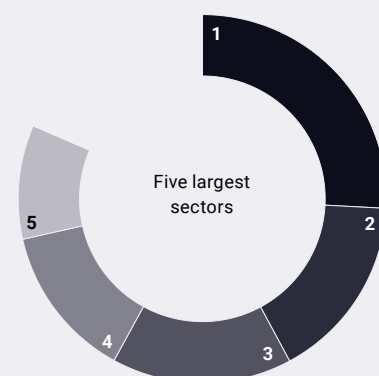
## Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
-1.1	-10.2	-1.8	2.0	1.1	-8.7
Jul	Aug	Sep	Oct	Nov	Dec
9.5	-3.1	-7.5	7.3	7.8	-

The holdings in SSAB and Elektro 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. Elektro 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 Elektro'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.	Information technology	16.3
3.	Industrials	15.8
4.	Health care	13.5
5.	Communication services	10.0
6.	Consumer discretionary	8.7
7.	Materials	3.7
8.	Consumer staples	2.5
	Cash	3.6

## 10 largest holdings

Holding	% of the fund
Ericsson B	7.8
Swedbank A	7.8
Millicom SDB	6.1
Handelsbanken A	5.6
Nokia EUR	5.4
Electrolux B	4.9
Essity B	4.6
Nordea	4.6
SKF B	4.5
SEB A	4.3
Total 10 largest holdings	55.7
Cash	3.6
Total number of holdings	32

## 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 Plus	Benchmark
Sharpe ratio	0.7	0.4
Total risk (%)	17.5	21.7
Tracking error	11.5	
Information ratio	0.4	
Alpha	0.5	
Beta	0.7	
Active share	80	
Gross equity exposure (%)	100	
Net equity exposure (%)	100	
Portfolio turnover ratio (06/30/22)	1.6	

## Fund facts

Fund manager	<b>Martin Wallin &amp; Robin Nestor</b>
Launch date	<b>12/11/08</b>
NAV per unit (SEK)	<b>75.87</b>
Fund size (SEKm)	<b>5,390</b>
Ongoing charges	<b>1.01% + 20% of any excess return</b>
Return threshold	<b>SIX Portfolio Return Index</b>
Bankgiro	<b>346-3585</b>
ISIN	<b>SE0002686584</b>
Trading frequency	<b>Daily</b>
Minimum investment amount	<b>SEK 100</b>
PPM number	<b>490 292</b>
Supervisory authority	<b>Finansinspektionen</b>
LEI	<b>549300W8FUNESQQE9448</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.se/en](https://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 Swedish equity fund with greater opportunities.
- Want an actively managed fund with investments based on a clear understanding of each individual.

## The fund's investment policy

Lannebo Sverige Plus is an actively managed equity fund that primarily invests in shares on the Swedish equity market. The fund is similar to a traditional equity fund, but with more flexible investment rules. The "Plus" label reflects the fund's ability to invest more than 100 per cent of the fund's assets. For example, the fund can invest 130 per cent in shares that the fund managers are positive about and balance this by reducing its equity exposure by 30 per cent through the sale of shares that the fund does not own. i.e. short selling.

## 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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