

# Lannebo Sverige Hållbar

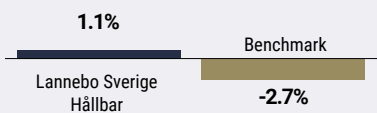
Swedish-registered equity fund

Monthly report December 2022

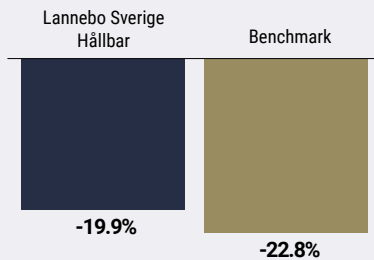
The money you invest in a fund can both increase and decrease in value and it is not certain that you will get back the full amount invested.

Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	<b>Dec 2022</b>
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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>
December 2022	1.1	-2.7
Year-to-date 2022	-19.9	-22.8
3 years	22.2	23.6
5 years	61.5	59.4
10 years	211.5	213.0
Since launch (01/10/10)	226.2	240.0
Average annual return 24 months	-1.0	3.7
2022 <sup>3</sup>	-20.5	-22.8
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

<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

## No Santa Rally in 2022

### Less cyclical exposure

It was a poor finish to a bad stock market year where we missed the usual so-called Santa rally. Aggressive tones from central banks and uncertain economic prospects weighed on the market. Nordic stock markets developed poorly, with the Swedish stock market falling the most, while the Danish stock market rose slightly. Banks were among the winners, while many consumer goods companies fell back. Notable was the weak development on Nasdaq, where the recent years most influential companies fell sharply.

The market's focus during December was on central banks and inflation - as so many times before during the year. The Fed raised its key interest rate by another 50 basis points to 4.5 per cent and signaled that there will be another 50 to 75 percentage point increases during the beginning of 2023. After that, there will be a pause in interest rate increases, and not until 2024 will it be relevant to lower the interest rate.

US inflation is certainly on the way down, but there is still a labor shortage resulting in a high wage growth rate. We follow the US incoming labor market statistics with great interest given a weaker labor market is key for the Fed to ease its monetary policy.

## 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	5.4	1.1

There is no new information from the Riksbank given they have few executive board meetings and the next regular monetary policy meeting is set for the beginning of February. As of their last meeting, the Riksbank's interest rate path showed that the interest rate is expected to rise by an additional 50 basis points to up to 3 per cent and remain there for the foreseeable future. The Swedish labor market is also in focus, and in particular the outcome of this year's major wage negotiations, which affects more than two million unionized workers. There is a substantial labor shortage, which means negotiations take place within a difficult backdrop.

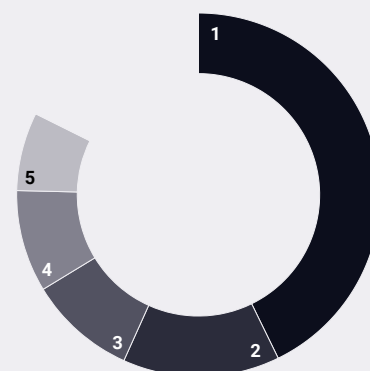
Macro signals continued to point to a slowdown, but so far it is not about a recession, which is similar to the signals from companies communicating with the market. The long anticipated recession is not visible for a majority of the companies.

We think it will be particularly interesting to follow how the Chinese economy develops going forward now that authorities have made a complete overhaul of their covid policy. The restrictions have been removed and the Chinese are now infected on an unprecedented scale. However, conditions should be good for improved economic activity once the initial wave of contagion is over.

The largest investments during December were in the existing holdings SCA, Borregaard and Balder.

During the second half of 2022, share prices in companies with cyclical exposure developed well following an almost catastrophically weak start to the year. We believe that in 2023 it will be tough to reach market expectations for profit development for several companies in the industrial sector. Earnings have barely been revised down in 2022 thanks to a strong order book and favorable currency exposure. We have, therefore, chosen to reduce the exposure in Electrolux, Atlas Copco and in Sandvik.

## Sector allocation



#	Sector	% of the fund
1.	Industrials	42.9
2.	Energy	14.0
3.	Health care	9.6
4.	Financials	9.1
5.	Consumer discretionary	7.0
7.	Materials	5.5
8.	Information technology	4.5
9.	Real estate	3.0
	Cash	4.7

## 10 largest holdings

Holding	% of the fund
Alfa Laval	6.3
OX2	6.1
NIBE Industrier B	5.4
Bravida	5.1
AstraZeneca	5.0
Investor B	4.6
GARO	4.6
Swedbank A	4.5
Hexagon B	4.5
Rejlers B	4.4
Total 10 largest holdings	50.5
Cash	4.7
Total number of holdings	27

## Major changes during the month

### Buy

SCA  
Borregaard  
Balder

### Sell

Electrolux  
Atlas Copco  
Sandvik

## 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	0.1	0.3
Total risk (%)	22.6	21.8
Tracking error	7.5	
Information ratio	-0.6	
Alpha	-0.4	
Beta	1.0	
Active share (%)	74	
Portfolio turnover ratio (12/31/22)	0.7	

## Fund facts

Fund manager	Charlotta Faxén & Peter Lagerlöf
Launch date	01/10/10
Launch date share class	20/12/18
NAV per unit (SEK)	2 179.98
Fund size (SEKm)	1,317
Ongoing charges (%)	1.64
Bankgiro	5314-3772
ISIN	SE0011973684
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300Y41WZFNIE996

## 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 December 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.

