

Lannebo High Yield

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.

A strong market

Positive news from several holdings



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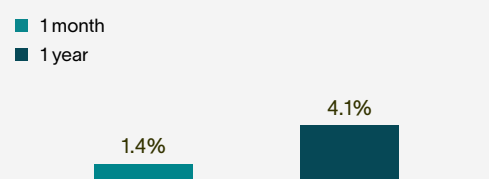
The Nordic credit market continued to perform strongly in May, which is reflected in the fund's positive return. There was good demand for bonds and prices increased across the board, except for some parts of the real estate sector – in particular bonds issued by the property company SBB and its major owner, Ilija Invest. We are generally cautious in our exposure to the real estate sector and have no holdings in the companies involved in the SBB circus.

The reporting season ended with strong reports from several of our holdings. Germany's Momox, which sells used books, CD's and clothing, followed up its strong Q4 earnings release with another strong quarterly report that showed reduced debt levels, sending the bond price up sharply.

Another favorable development during the month was that our disappointing holding, Ziton, released positive news. Ziton services offshore wind turbines and the company has historically not delivered according to plan. During the period, the company announced it had signed a new multi-year agreement with Siemens Gamesa and in connection with the agreement the company issued a new bond where proceeds will in part be used to refinance the existing bond. Prior to this, the existing bond was trading at a deep discount to face value. The news of the refinancing led to a major revaluation, which contributed to the period's positive earnings development even though the holding is small.

The primary market was active during the period and we participated in several new issues, such as Swedish ADDvise and Finnish Normet. ADDvise is an expansive group that, through subsidiaries within the Lab and Healthcare business areas, offers complete solutions in the form of products and services to healthcare and research units. The company issued a bond with a 3 year maturity and a coupon rate of Stibor 3 months + 5.5 per cent.

The fund's performance*



Performance (%)	Fund	Index ¹
May 2023	1.4	0.2
YTD 2023	4.9	4.1
1 year	4.1	4.2
3 years	18.5	
5 years	10.5	
Since launch (01/30/15)	26.0	
Average 24 months	2.5	
2022 ¹	-2.1	0.0
2021 ¹	6.2	-
2020 ¹	-3.8	-
2019 ¹	5.0	-
2018 ¹	1.0	-

¹ The performance is based on closing prices.

* Net of fees

Jan	Feb	Mar	Apr	May	Jun
1.5	1.7	-0.9	1.1	1.4	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

The interest rate on a Swedish 5-year government bond closed the period unchanged at 2.4 per cent. The 2-year interest rate continued to trade higher than the 5-year rate, indicating a belief in a coming recession and lower interest rates further down the line. The 3-month Stibor rate, which is the basis for setting interest rates on our Swedish floating-rate bonds, continued to increase during the period from 3.6 to 3.7 per cent.

Higher interest rates and wide credit spreads now produce historically high yields on corporate bonds. Given an unchanged interest rate, the annual rate of return for the fund is currently around 8.4 per cent after fees.

We maintained the fund's structure as before; 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. We currency hedge all foreign currency exposure to Swedish kronor.

Largest holdings

Holding	Share of the fund (%)
DNB Bank	5.0
Castellum	3.8
European Energy	3.3
SEB	3.1
Link Mobility	2.9
Cibus Nordic	2.7
MGI Media and Games Invest SE	2.5
SFL Corp	2.3
Fortaco Group	2.3
Storskogen Group	2.2
Total ten largest issuers	30.1
Cash	17.2
Total number of issuers	55

Main changes

Bought	Sold
ADDvise	-
Bewi	-
Fortaco	-
Link Mobility	-

Sector allocation

Sector	Share of the fund (%)
Industrials	26.0
Financials	15.5
Real estate	15.3
Communication services	6.6
Information technology	5.5
Consumer discretionary	5.1
Energy	3.3
Healthcare	2.9
Consumer staples	2.8
Material	1.6

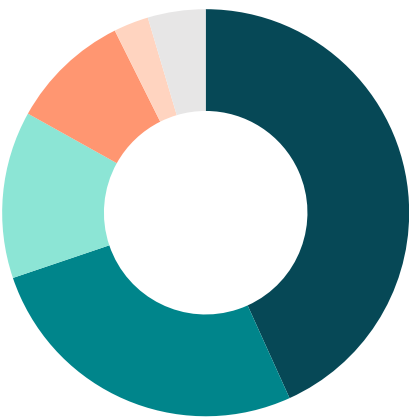
Financial ratios

	Fund	Index
Total risk (%)	3.5	
Interest-rate duration (years)	0.7	
Credit duration (years)	2.9	
Portfolio turnover ratio	0.4	

Credit rating distribution

	Credit rating	% of the fund
Investment grade	AAA	0.0
	AA+/AA/AA-	0.0
	A+/A/A-	0.0
	BBB+/BBB/BBB-	10.6
High yield	BB+/BB/BB-	34.0
	B+/B/B-	37.2
	CCC/CC/C	0.9
Default	D	0.0
Cash		17.2
Offical credit rating		31.2

Country allocation



Country	% of the fund
Sweden	35.8
Norway	22
Finland	11
Denmark	7.9
Bermuda	2.3
Other	3.8

Fund facts

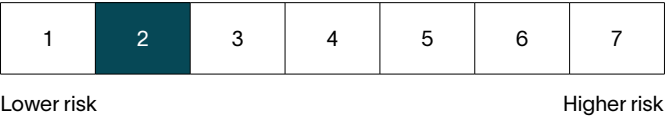
Fund managers	Karin Haraldsson & Katarina Carlsson
Launch date	01/30/15
NAV per unit	SEK 126.04
Fund size	SEKm 723
Ongoing charges	1.5%
ISIN	SE0006421855
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300XRFONRDKE3IM10

Maturity profile

	% of the fund
< 1 år	8
1-3 år	48
3-5 år	27
> 5 år	1

The maturity profile of the fund excludes cash.

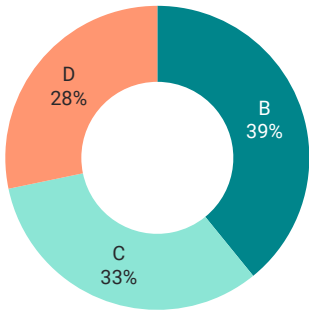
Risk indicator



We work actively to take advantage of business opportunities and avoid risks related to the environment, social sustainability and corporate governance.

Sustainability grade

Lannebo’s sustainability analysis identifies and grades the portfolio holdings’ management of sustainability risks, environmental impact, and sustainability in the business model. A is the highest grade and E the lowest.

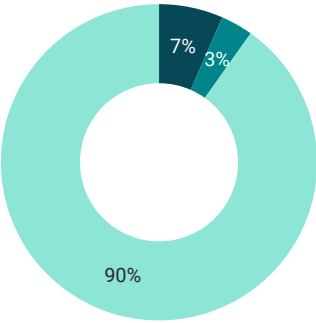


Share of the fund (%)	
A	0
B	39
C	33
D	27
E	0

Climate target

Lannebo has committed to a climate target that requires the companies in material sectors within its portfolios to establish science-based emissions reduction targets, SBT.

Year 2040: 100% Year 2030: 50%



Share of the fund (%)	
Validated SBT	7
Committed SBT	3
No SBT	90

Gender equality on boards

The objective is to ensure greater gender representation by aiming for a minimum of 40 percent representation of the under-represented gender among board members on average.

Share (%)	
Women	37
Men	63

Explanations*

Total risk

Given as the standard deviation of variations in the total return of the fund or index.

Interest-rate duration

Weighted average life.

Credit duration

Weighted average maturity.

Benchmark

NBP Nordic HY Aggregated Index SEK
Hedged. 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.

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 en.lannebo.se.

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.

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