

Monthly report May 2023

Lannebo Småbolag EUR

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.

The fund's holdings continued to deliver

Addtech released a strong earnings report



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May marked the end of the Q1 earnings season and our overall impression from our holdings continues to be positive. Even if several market segments see a slowdown in demand, companies have generally managed this well. The economic slowdown is likely to continue as higher interest rates reduce consumer spending and companies look to reduce inventory levels. This can of course affect profit development short term, but we assess that our holdings have good conditions to emerge stronger from a possible recession. Several holdings released positive earnings reports. The industrial group Addtech, which is the fund's largest holding, grew sales by an impressive 34 per cent and operating profit increased by 47 per cent. In addition to the exceptionally strong growth, the company also generated a solid cash flow.

Industrial conglomerate Lagercrantz also continued to perform well, with the earnings report disclosing a revenue growth of 30 per cent and profit growth of approximately the same amount. Here, too, cash flow improved significantly compared to the corresponding period last year.

Real estate company Balder delivered an increase in rental income of 15 per cent with an unchanged high occupancy rate, despite concerns and challenges in the real estate sector in the form of rising interest rates and approaching bond maturities. Despite headwinds from rising interest rates, the per share income from property management grew by 9 per cent.

On the negative side, the IT consultancy company Knowit's turnover grew by 16 per cent, but due to a weaker margin, profits were virtually unchanged. As customers review costs due to a weaker economy, it is reasonable to expect that things will get worse for the IT consulting industry before they get better.

The fund's performance*

- 1 month
- 1 year



Performance (%)	Fund
May 2023	-3.4
YTD 2023	9.5
1 year	-6.9
3 years	23.7
5 years	35.3
10 years	219.1
Since launch (08/04/00)	1,381.2
Average 24 months	- 10.4
2022 ¹	-36.7
2021 ¹	27.2
2020 ¹	22.6
2019 ¹	36.3
2018 ¹	-4.8

¹ The performance is based on closing prices.

* Net of fees

Jan	Feb	Mar	Apr	May	Jun
4.9	5.0	1.0	1.9	-3.4	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

The holding in Fagerhult was divested given that our assessment – following the over 60 per cent share price increase over this year – is there are better alternatives for good risk-adjusted returns elsewhere.

Largest holdings

Holding	Share of the fund (%)
AddTech B	7.1
Trelleborg B	5.5
Lifco B	5.2
Beijer Ref B	5.1
Lagercrantz	4.6
AAK	4.1
Bufab	3.9
Beijer Alma B	3.7
Sagax B	3.5
Indutrade	3.4
Total ten largest holdings	46.1
Cash	3.1
Total number of holdings	39

Main changes

Bought	Sold
Axfood	Fagerhult
Nordnet	-
Sagax	-

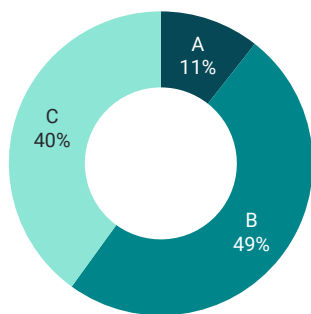
Sector allocation

Sector	Share of the fund (%)
Industrials	53.4
Information technology	21.3
Real estate	9.3
Consumer staples	7.4
Financials	3.0
Healthcare	2.4

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	11
B	49
C	40
D	0
E	0

Nomination committees 2023

Lannebo participate in nomination committees to contribute to competent boards with relevant experience for the companies.

Company

Addnode	KnowIT
Addtech	Lagercrantz
Beijer Alma	Nolato
Bufab	Nyfosa
CreaSpac	TBD30
Fagerhult	Trelleborg
Hexpol	

Voting

Share of the fund where Lannebo has voted at the general meeting.

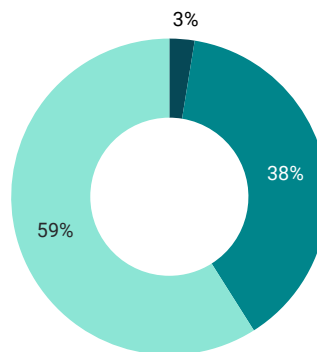
Share of the fund (%)

2023 YTD	89
2022	93
2021	92

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	3
Committed SBT	38
No SBT	59

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	35
Men	65

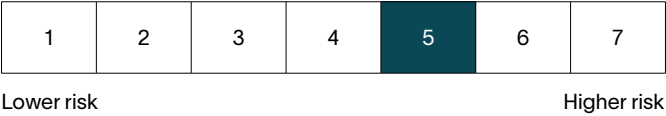
Financial ratios

	Fund	Index
Sharpe ratio	-0.2	-0.3
Total risk (%)	26.7	25.5
Tracking error	5.2	
Information ratio	0.7	
Alpha	3.8	
Beta	1.0	
Portfolio turnover ratio	0.3	
Active share (%)	68	

Fund facts

Fund managers	Per Trygg & Hjalmar Ek
Launch date	08/04/00
NAV per unit	SEK 165.89
Fund size	EURm 2,282
Ongoing charges	1.7%
ISIN	SE0000740698
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300JC5787N3394631

Risk indicator



Explanations*

Sharpe ratio

A measure of risk adjusted return. Calculated as the ratio of the fund's excess return above the riskfree 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

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 riskadjusted 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 riskadjusted excess return relative to the return of the benchmark.

Beta

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.

Benchmark

Carnegie Small Cap Sweden 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.

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.