

Monthly report June 2023

Lannebo Sustainable Corporate Bond

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.

An active primary market

Another interest rate increase



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The fund's positive return during the month mainly comes from the high underlying yield.

The primary market was active and we participated in the Swedish property company Trianon's new issue, which is a sustainable bond where the company works with both climate and social initiatives. For example, Trianon's goal is to reduce energy consumption by 10 per cent in 2 years, as well as contribute to reduced unemployment by offering residents jobs. The new bond has a 2-year maturity and a coupon rate of Stibor 3 months +5 per cent.

Central banks continued their fight against stubbornly high inflation. At the end of the period, the Swedish Riksbank raised its key interest rate for the sixth time in a row to 3.75 per cent and is also increasing the pace of government bond sales to strengthen the weak Swedish krona.

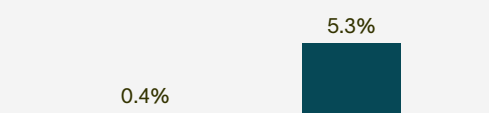
The interest rate on a Swedish 5-year government bond rose during the period from 2.4 to 2.8 per cent. The 2-year yields continued to trade higher than the 5-year yields, which indicates a belief in a coming recession and lower interest rates further down the line. The 3-month Stibor rate, which is the basis for interest rate setting on our Swedish floating-rate bonds, continued to increase during the period from 3.7 to 3.8 per cent.

Higher interest rates and wide credit spreads are now generating historically high yields on corporate bonds. Given an unchanged interest rate, the fund's annual rate of return is currently around 6.5 per cent after fees.

Our strategy is to maintain a low interest duration in order to protect the fund against rising interest rates. We do this by investing mostly in FRN loans, which are bonds with a variable interest rate. We hedge all foreign currency exposure in the fund to the Swedish krona.

The fund's performance*

■ 1 month
■ 1 year



Performance (%)	Fund	Index ¹
June 2023	0.4	-0.1
YTD 2023	4.0	1.9
1 year	5.3	2.4
3 years	6.6	-0.6
Since launch (02/18/20)	5.3	-0.7
Average 24 months	0.8	-1.1
2022 ²	-3.0	-3.9
2021 ²	2.6	0.1
2020 ²	1.8 ³	1.3 ³

¹ Before 06/01/20 the benchmark of the fund was Nasdaq OMX Credit SEK TR Index.

² The performance is based on closing prices.

³ Refers to the period 02/18/20 - 12/31/20.

* Net of fees

Jan	Feb	Mar	Apr	May	Jun
1.4	1.3	-0.6	0.8	0.8	0.4
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

At the end of the period, the average credit duration was 2.3 years and the interest duration was 0.5 years.

Largest holdings

Holding	Share of the fund (%)
Smakraft	5.2
Storebrand Livsforsikring	3.9
Tryg Forsikring	3.8
Mowi	3.7
Castellum	3.7
Terveystalo	3.2
Bewi	3.2
European Energy	3.0
Vattenfall	2.7
Boliden	2.6
Total ten largest issuers	35.0
Cash	8.3
Total number of issuers	54

Main changes

Bought	Sold
Trianon	-
-	-
-	-

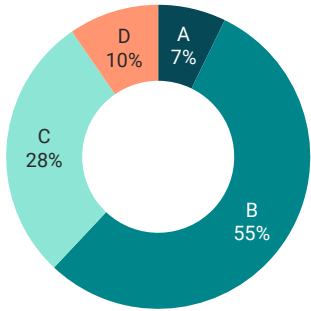
Sector allocation

Sector	Share of the fund (%)
Financials	20.0
Real estate	17.2
Industrials	13.3
Energy	11.3
Consumer staples	6.5
Material	6.0
Healthcare	5.1
Consumer discretionary	4.8
Information technology	4.4
Communication services	3.3

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.



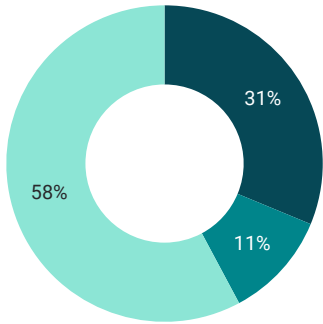
Share of the fund (%)

A	7
B	55
C	28
D	10
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	31
Committed SBT	11
No SBT	58

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	39
Men	61

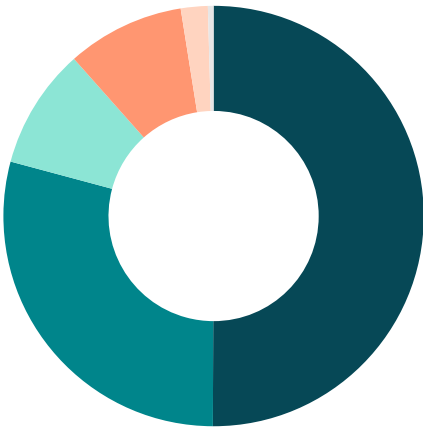
Financial ratios

	Fund	Index
Total risk (%)	3.0	2.0
Interest-rate duration (years)	0.5	
Credit duration (years)	2.3	
Portfolio turnover ratio	0.3	

Credit rating distribution

	Credit rating	% of the fund
Investment grade	AAA	0.4
	AA+/AA/AA-	0.0
	A+/A/A-	7.6
	BBB+/BBB/BBB-	43.9
High yield	BB+/BB/BB-	38.1
	B+/B/B-	1.8
	CCC/CC/C	0.0
Default	D	0.0
Cash		8.3
Official credit rating		51.3

Country allocation



Country	% of the fund
Sweden	45.9
Norway	26.7
Denmark	8.5
Finland	8.3
Luxembourg	1.9
Other	0.4

Fund facts

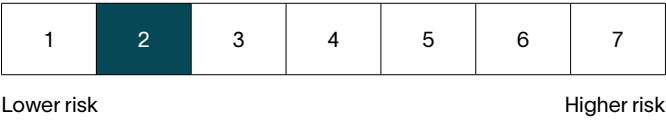
Fund managers	Karin Haraldsson & Katarina Carlsson
Launch date	02/18/20
NAV per unit	SEK 104.88
Fund size	SEKm 516
Ongoing costs	0.9%
ISIN	SE0013646866
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300VD1CKLHX5LM106

Maturity profile

	% of the fund
< 1 år	9
1-3 år	46
3-5 år	37
> 5 år	0

The maturity profile of the fund excludes cash.

Risk indicator



Explanations*

Benchmark

Solactive SEK IG Credit 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.

Interest-rate duration

Weighted average life.

Credit duration

Weighted average maturity.

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.

Green bond

A bond where the capital is being used exclusively for environmental projects and certified by a third party.

Total risk

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

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