

Monthly report July 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.

The fund continued to develop strongly

Further interest rate increases



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The fund's positive return during the month was largely due to the fund's high running yield. As usual, the Nordic's primary markets took a summer break during July, which was reflected in that the fund did not participate in any issues. One of our holdings, the Swedish company Lakers, redeemed its bond early at a premium.

Central banks continued their fight against stubbornly high inflation, and as expected, both the Fed and the ECB raised their key rates by 0.25 percentage points. The Fed is keeping the door open for another hike in September. As is well known, in June the Riksbank raised for the sixth consecutive time its key interest rate to 3.75 per cent and is also increasing the pace of government bond sales to strengthen the weak krona.

The interest rate on a Swedish 5-year government bond fell slightly during the period from 2.8 to 2.7 per cent. The 2-year yields continue 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 3.8 to 3.9 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, after fees, is currently around 6.5 per cent.

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 to the Swedish kronor. At the end of the period, the average credit duration was 2.0 years and the interest duration was 0.4 years.

The fund's performance*

■ 1 month
■ 1 year



Performance (%)	Fund	Index ¹
July 2023	0.5	0.6
YTD 2023	4.6	2.5
1 year	5.1	2.3
3 years	6.5	-0.4
Since launch (02/18/20)	5.8	-0.1
Average 24 months	0.9	-0.9
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
0.5	-	-	-	-	-

Largest holdings

Holding	Share of the fund (%)
Smakraft	4.9
Tryg Forsikring	3.8
Storebrand Livsforsikring	3.8
Castellum	3.6
Mowi	3.5
Bewi	3.0
Terveystalo	3.0
European Energy	2.9
Vattenfall	2.6
Boliden	2.5
Total ten largest issuers	33.6
Cash	12.2
Total number of issuers	53

Main changes

Bought	Sold
Trianon	-
-	-
-	-

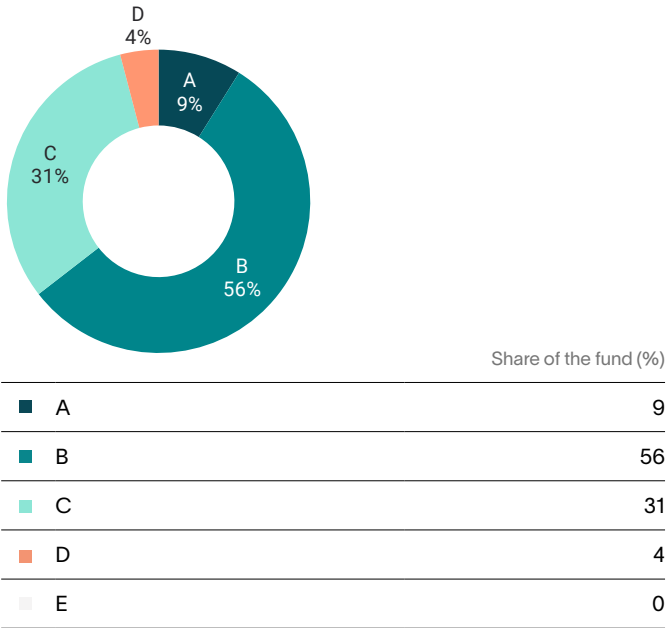
Sector allocation

Sector	Share of the fund (%)
Financials	19.4
Real estate	16.2
Industrials	12.6
Energy	10.8
Consumer staples	6.2
Material	5.7
Healthcare	4.8
Consumer discretionary	4.6
Information technology	4.3
Communication services	3.1

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

Sustainability grade

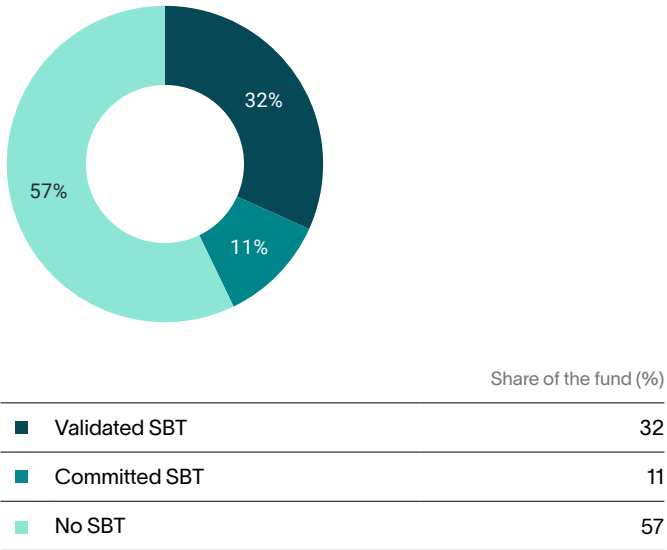
Lannebo’s sustainability analysis identifies and grades the portfolio holdings’ management of sustainability risks, environmental impact, and sustainability in the business model. A is the highest grade and E the lowest.



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%



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

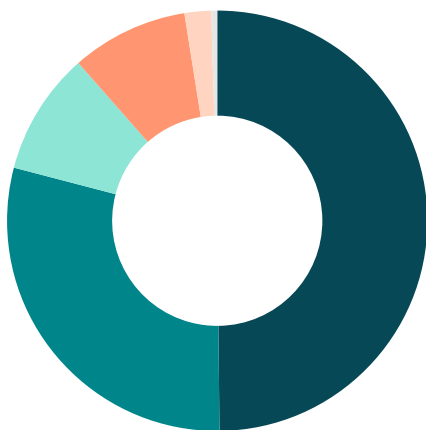
Financial ratios

	Fund	Index
Total risk (%)	3.0	2.1
Interest-rate duration (years)	0.4	
Credit duration (years)	2.0	
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-	7.4
	BBB+/BBB/BBB-	44.5
High yield	BB+/BB/BB-	34.0
	B+/B/B-	1.5
	CCC/CC/C	0.0
Default	D	0.0
Cash		12.2
Official credit rating		49.0

Country allocation



Country	% of the fund
Sweden	43.8
Norway	25.7
Denmark	8.3
Finland	7.9
Luxembourg	1.8
Other	0.4

Fund facts

Fund managers	Karin Haraldsson & Katarina Carlsson
Launch date	02/18/20
NAV per unit	SEK 105.84
Fund size	SEKm 567
Ongoing charges*	0.9%
ISIN	SE0013646866
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300VD1CKLHX5LM106

* Ongoing costs consist of management fees and other administrative or operating costs (an estimate based on actual costs over the past year) and transaction costs (an estimate of costs incurred when a fund buys and sells securities).

Maturity profile

	% of the fund
< 1 år	11
1-3 år	42
3-5 år	34
> 5 år	0

The maturity profile of the fund excludes cash.

Risk indicator

1	2	3	4	5	6	7
Lower risk						Higher risk

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.