

Monthly report July 2023

Lannebo Teknik

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 market on the other side of the Atlantic loses steam

Earnings season in full swing



Johan Nilke
johan.nilke@lannebo.se



Helen Groth
helen.groth@lannebo.se

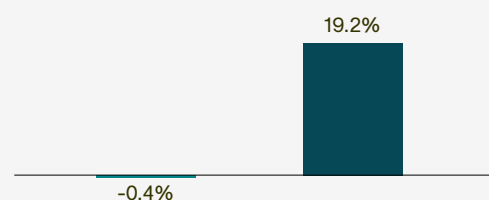
July was calmer following sharp increases from technology companies. Investors were cautious with their positions over fears of a potential global economic slowdown, while concerns over rising inflation weighed on the market. At the end of the month, both the Fed and the ECB, as expected, announced interest rate increases of 25 basis points. Fed chief Jerome Powell emphasized the importance of the fact that inflation was lower than expected in June, while also pointing out that it was too early to draw any long-term conclusions based on a single inflation report. Powell was also guarded with regard to revealing the Fed's future plans, saying there is a great deal of data in the form of inflation and jobs reports that will be released prior to their next meeting in September. The Fed forecasts that inflation will not reach the target level of 2 per cent until 2025. After the interest rate announcements, stock markets globally have been volatile as the market fluctuated between optimism and pessimism.

In the last week of July, Microsoft released its Q2 earnings. The report beat expectations and the company reported strong revenue and profit growth, but there were some concerns that led to share price volatility. One of the most significant challenges for Microsoft was its cloud service Azure. Admittedly, revenue from Azure increased by 27 per cent, but there is concern that growth has slowed somewhat compared to previous quarters. That made some investors wary, as Azure has been a key growth engine for Microsoft in recent years. Further, the company guided for slightly lower revenues than the market had expected, which led to the share being traded down after the report. Microsoft was one of the fund's biggest negative contributors in July.

Alphabet, Google's parent company, was another American tech company that reported earnings in July. The company reported sales and profit growth that exceeded expectations, which fueled the

The fund's performance*

- 1 month
- 1 year



Performance (%)	Fund	Index ¹
July 2023	-0.4	1.0
YTD 2023	34.6	42.5
1 year	19.2	29.2
3 years	55.6	77.6
5 years	126.1	160.4
10 years	625.9	743.4
Since launch (08/04/00)	93.1	285.9
Average 24 months	7.7	13.5
2022 ¹	-20.8	-21.7
2021 ¹	31.4	41.5
2020 ¹	29.5	23.0
2019 ¹	40.6	50.8
2018 ¹	7.3	6.1

¹ The performance is based on closing prices.

*Net of fees

Jan	Feb	Mar	Apr	May	Jun
10.4	-1.7	6.5	-1.4	12.8	5.1
Jul	Aug	Sep	Oct	Nov	Dec
-0.4	-	-	-	-	-

stock. Google Search and YouTube continued to be the main sources of revenue for Alphabet, and these businesses showed accelerated growth. Google Cloud was another area that showed strong growth and continued to be a significant competitor in cloud services. Alphabet was the fund’s biggest positive contributor in July.

Palo Alto Networks, a company specializing in cyber security, was one of the fund’s biggest negative contributors in July. The share price has developed strongly during the year and fell slightly during July, likely due to profit taking. It is worth noting that Palo Alto Networks is a major player in the cybersecurity sector, which is a growing area given increased demand as digitization continues to expand in society.

Intuit, on the other hand, was one of the fund’s most positive contributors to performance during the month. The company offers financial software and services and has shown strong growth during the year. In July, Intuit improved its market position by announcing that it had enhanced its product offering by integrating OpenAI technology. This led to a major improvement in terms of functionality and user experience for their financial software and services, which also includes the popular Generative AI Operating System platform (GenOS). GenOS is an AI-powered platform that helps businesses with their financial needs, and with the new integration from OpenAI, the software can now offer even more advanced and efficient tools to manage accounting, budgeting, and reporting.

Due to inflows, we invested in Salesforce, Nintendo, and First Solar during July. Salesforce has announced they will introduce price increases on a number of core products, which will positively affect growth. In addition, new AI functionality can further contribute to higher revenue per customer. There has been speculation for some time over when Nintendo would release its next console and the wait has now been longer than between previous console releases. During July, there were reports that development kits for a new console had already reached developers, which could indicate that a launch is close. First Solar benefits from the continued strong demand for solar panel installations.

Largest holdings

Holding	Share of the fund (%)
Microsoft	7.8
Alphabet A	6.3
Palo Alto Networks	5.4
Amazon	4.8
Adobe	4.7
Apple	4.7
Salesforce	4.6
Microchip Technology	4.4
Mastercard	4.0
International Business Machine	3.7
Total ten largest holdings	50.4
Cash	4.1
Total number of holdings	30

Main changes

Bought	Sold
Salesforce	-
Nintendo	-
First Solar	-

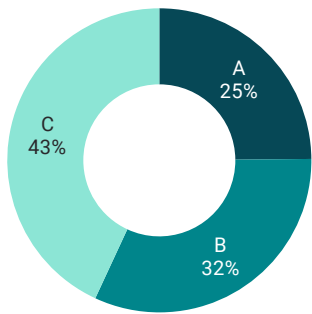
Sector allocation

Sector	Share of the fund (%)
Information technology	77.4
Communication services	8.3
Consumer discretionary	4.8
Healthcare	3.5
Industrials	1.9

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	25
B	32
C	43
D	0
E	0

Voting

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

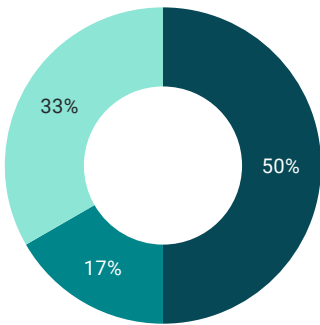
Share of the fund (%)

2023 YTD	1
2022	15
2021	15

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%



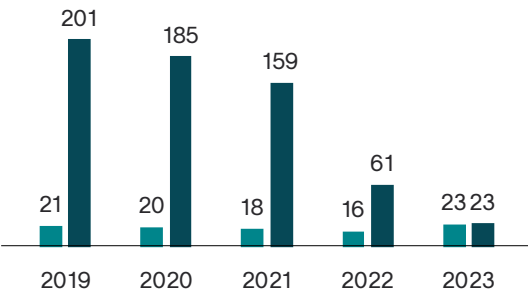
Share of the fund (%)

Validated SBT	50
Committed SBT	17
No SBT	33

Carbon footprint

Carbon footprint, measured as the weighted average carbon intensity, shows the fund’s exposure to companies with high carbon intensity. Higher carbon intensity is an indication of higher climate change-related risks.

Fund Index



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.

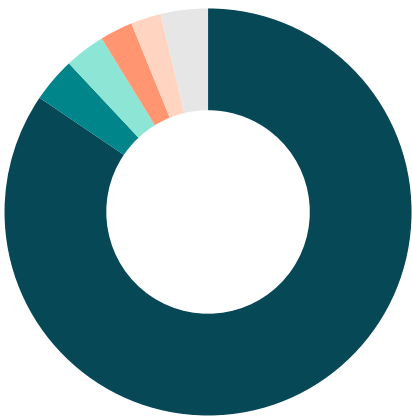
Share (%)

Women	33
Men	67

Financial ratios

	Fund	Index
Sharpe ratio	0.4	0.6
Total risk (%)	20.5	23.3
Tracking error	4.9	
Information ratio	-1.3	
Alpha	-4.4	
Beta	0.9	
Portfolio turnover ratio	0.1	
Active share (%)	66	

Country allocation



Country	Share of the fund (%)
United States	81.1
Japan	3.4
Guernsey	3.1
Netherlands	2.5
France	2.3
Other	3.6

Fund facts

Fund managers	Johan Nilke & Helen Groth
Launch date	08/04/00
NAV per unit	SEK 18.19
Fund size	SEKm 9,045
Ongoing charges*	1.7%
ISIN	SE0000740672
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300Y3UW5Y5DPJSO02

* 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).

Risk indicator



Explanations*

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.

Carbon footprint

The weighted average carbon intensity is calculated by multiplying the portfolio company's weight in the fund by the portfolio company's emissions (scope 1 and 2) in relation to its revenue in millions of SEK.

Benchmark

MSCI World IT 10/40 Net Total Return Index* calculated in SEK. 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.

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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.

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

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.

Information ratio

A measure of riskadjusted return. This is measured as the active return divided by the portfolio's active 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.
