

Monthly report June 2023

Lannebo Småbolag Select

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 wait-and-see market ruled by macro factors

Addnode issued a profit warning



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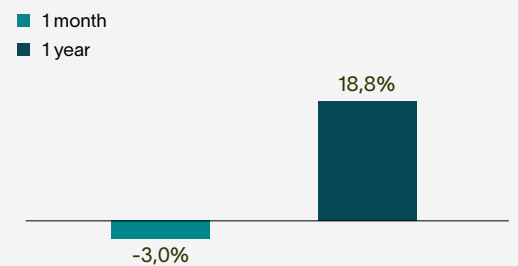
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In anticipation of earnings season that begins in July, June was, as usual, a relatively uneventful month with regards to company-news releases. However, there were a number of profit warnings, including in the forestry, chemical, and health care industries. Unfortunately, the fund was not immune to this.

The forestry sector has for some time had a rough operating environment due to falling pulp prices at the same time as lumber prices have edged higher. Profit warnings from the chemical sector are due to, among other things, lower demand as a result of consumer goods companies significantly reducing inventories. One possible interpretation of this is that the chemical companies' customers are trying, as far as possible, to reduce their inventories of their more expensive - previously purchased - chemicals before implementing their own price reductions towards consumers. This would be good news for inflation, interest rates and probably also for the stock market should this analysis prove correct. At present, however, it appears likely that central banks' rapid interest rate increases will first hit households, companies, and the economy relatively hard. The ability of companies to manage this differs and we are, as usual, focused on ensuring that our companies do not have too much indebtedness to be able to, among other things, manage rising interest rates.

A number of our holdings made acquisitions during the month, where Addtech bought S. Tygesen Energi and Darby Manufacturing. Danish Tygesen Energi sells equipment and electricity transmission materials for electrical distribution and transmission networks, as well as for railways and stations. Addtech, through its business area Addtech Energy, has gradually built-up significant sales to customers in electricity transmission - an area where large investments will be required in the coming decade. Darby Manufacturing is a Canadian supplier of industrial seating for specialty vehicles in North America;

The fund's performance*



Performance (%)	Fund	Index ¹
June 2023	-3.0	-0.6
YTD 2023	11.4	4.5
1 year	18.8	7.3
3 years	32.2	27.6
5 years	44.8	62.2
10 years	247.0	305.6
Since launch (10/31/00)	1,832.2	1,239.8
Average 24 months	-5.3	-8.6
2022 ¹	-29.0	-31.4
2021 ¹	27.2	37.1
2020 ¹	11.8	23.0
2019 ¹	33.3	43.2
2018 ¹	0.9	-0.2

¹ The performance is based on closing prices.

* Net of fees

Jan	Feb	Mar	Apr	May	Jun
7.5	2.0	2.1	2.1	0.8	-3.0
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

the company is a good example of the type of niche businesses that Addtech looks to acquire.

The IT company Addnode issued a profit warning during the month as a result of significantly lower demand in the construction sector, where the company is a re-seller of software to architects. Sales processes have also become longer as customers have a more wait-and-see approach. Although the news release exhibits short-term headwinds, Addnode has a long-term proven and successful business model that, over time, has clearly demonstrated to be value-creating. The stock market sometimes loses sight of long-term company-specific factors in several companies, instead worrying about more pressing, short-term, economic fluctuations and next-quarter demand. This can create opportunities for long-term investors. Addnode also acquired the US company Team D3, which has a turnover of more than USD 100 million and is a significant partner to the software company Autodesk. The acquisition makes Addnode an even more important counterparty for Autodesk, while also being a good complement to Microdesk, which Addnode acquired in 2022.

Trading activity was muted during the month. We slightly increased our holding in BTS given that we see it as likely that the market's concerns are exaggerated with regard to the company's cyclical sensitivity.

Largest holdings

Holding	Share of the fund (%)
AddTech B	7.2
OEM International B	7.0
Lifco B	6.2
Trelleborg B	5.4
Lagercrantz	5.2
NCAB Group	5.2
Beijer Ref B	4.7
Addnode Group B	4.3
BTS Group B	4.2
Beijer Alma B	3.9
Total ten largest holdings	53.3
Cash	2.7
Total number of holdings	30

Main changes

Bought	Sold
BTS Group	-
-	-
-	-

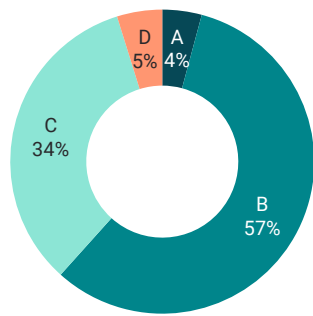
Sector allocation

Sector	Share of the fund (%)
Industrials	58.4
Information technology	22.1
Real estate	9.5
Healthcare	7.3

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	4
■ B	57
■ C	34
■ D	5
■ E	0

Nomination committees 2023

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

Company	
Addnode	Lagercrantz
Addtech	MedCap
Beijer Alma	Nolato
BTS	Trelleborg
Fagerhult	
Hexpol	

Voting

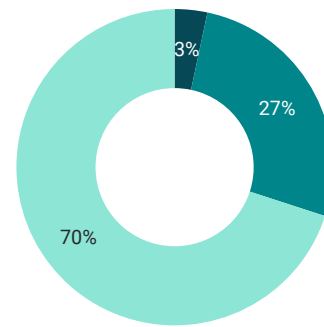
Share of the fund where Lannebo has voted at the general meeting.

	Share of the fund (%)
2023 YTD	80
2022	91
2021	99

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%

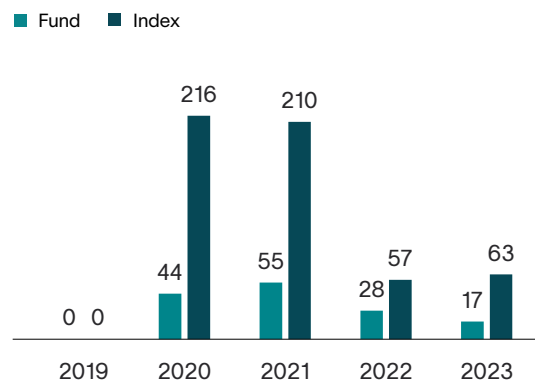


Share of the fund (%)

■ Validated SBT	3
■ Committed SBT	27
■ No SBT	70

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.



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	32
Men	68

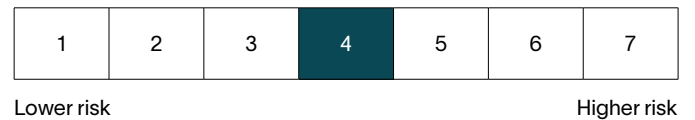
Financial ratios

	Fund	Index
Sharpe ratio	-0.2	-0.4
Total risk (%)	27.2	25.5
Tracking error	7.3	
Information ratio	0.5	
Alpha	3.6	
Beta	1.0	
Portfolio turnover ratio	0.5	
Active share (%)	82	

Fund facts

Fund managers	Per Trygg & Hjalmar Ek
Launch date	10/31/00
NAV per unit	SEK 703.56
Fund size	SEKm 2,275
Ongoing costs	0.9%
Variable fee	20% of any excess return
Return threshold	30-day STIBOR, monthly on the first banking day of each month, plus five percentage points, currently 5.00%
ISIN	SE0000917205
Trading frequency	The fund is open on the last business day of each month. The capital limit is currently set at SEK 3.5 billion
Minimum investment amount	The initial investment is SEK 100,000 and then SEK 20,000 per subscription thereafter
Supervisory authority	Finansinspektionen
LEI	549300ZTBJP4DRZ5I462

Risk indicator



Explanations*

Active share

A measure of the proportion of the portfolio that differ from the benchmark.

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.

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.

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.

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.

Information ratio

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

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

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.

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.

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.