

# Lannebo Småbolag

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.

## Concern over the economy and interest rates continued

### Divested Sweco



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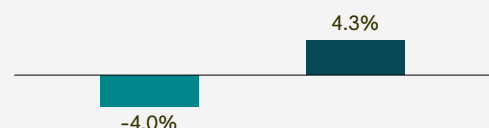
August followed the same stock market pattern as witnessed in June and July. Share prices went lower due to concerns over the economy, a weak Chinese recovery, and uncertainty over how long interest rates will remain at current levels. Short term, all this is of course cause for concern, but, at the same time, we note the vast majority of our holdings continue to deliver strong financial results. Long term, this tends to be a more significant factor for returns. Although economic conditions are tough, which is important to consider, well-run companies typically have the ability to strengthen their market positions in this type of climate. We do not see any point in speculating about short-term market movements, but at the same time can state that many stocks have reached valuation levels that appear attractive from a longer-term perspective. In other words, there are currently plenty of investment opportunities for the long-term investor.

We met with both current and potential holdings during the month. Most of our findings are company-specific, but we also observed a couple of broader themes. The construction sector generally continues to be weak, especially in the Nordics but also in Europe. This could possibly worsen further as ongoing projects are completed and there are few new projects initiated as the market adapts to the new interest rate levels. The industrial economy continued to weaken in several segments and, in general, customers continued to reduce their inventories. One company we spoke to expected inventory reductions to continue for another one to two quarters, which would be consistent with a normal recession.

We increased our holdings in Avanza, Indutrade and Nyfosa. Avanza has a strong market position in Sweden with an offering that customers appreciate. Longer term, Avanza will likely benefit from improved portability for occupational pensions. We increased the holding in Indutrade as the valuation appears attractive longer term. The real

### The fund's performance\*

■ 1 month  
■ 1 year



Performance (%)	Fund	Index <sup>1</sup>
August 2023	-4.0	-4.4
YTD 2023	3.4	0.9
1 year	4.3	0.3
3 years	5.5	9.0
5 years	34.2	45.5
10 years	237.9	261.5
Since launch (08/04/00)	1597.9	1168.0
Average 24 months	-12.7	-15.2
2022 <sup>1</sup>	-31.2	-31.4
2021 <sup>1</sup>	29.5	37.1
2020 <sup>1</sup>	18.0	23.0
2019 <sup>1</sup>	40.4	43.2
2018 <sup>1</sup>	-1.7	-0.2

<sup>1</sup> The performance is based on closing prices.

\* Net of fees

Jan	Feb	Mar	Apr	May	Jun
7.3	2.3	2.7	2.6	-1.2	-1.8
Jul	Aug	Sep	Oct	Nov	Dec
-4.0	-4.0	-	-	-	-

estate company Nyfosa has seen its results weighed by rising interest rates, while at the same time, the operational development has remained stable. The Nyfosa share price will appear to be undervalued as interest rates begin to reach their peak and the operational development catches up with the financial one. The holding in Sweco was divested during the month given we assess that there are better conditions for good risk-adjusted returns in other holdings.

## Largest holdings

Holding	Share of the fund (%)
AddTech B	6.5
Trelleborg B	6.0
Lifco B	5.0
Beijer Ref B	5.0
Lagercrantz	4.6
Sagax B	4.5
AAK	4.5
Balder B	4.4
Axfood	3.8
Bufab	3.8
<b>Total ten largest holdings</b>	<b>48.1</b>
Cash	2.3
Total number of holdings	39

## Main changes

Bought	Sold
Avanza	Sweco
Indutrade	-
Nyfosa	-

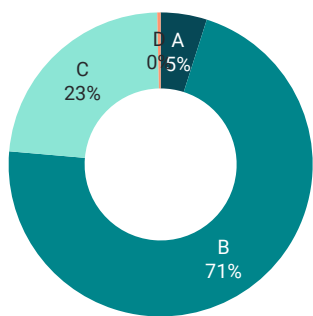
## Sector allocation

Sector	Share of the fund (%)
Industrials	50.1
Information technology	20.4
Real estate	13.4
Consumer staples	8.3
Financials	3.1
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	5
B	71
C	23
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.

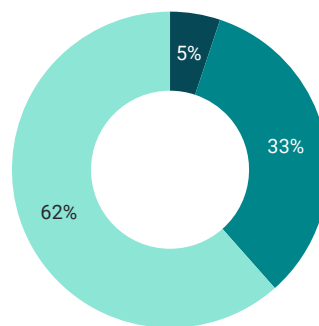
Share of the fund (%)

2023 YTD	92
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%



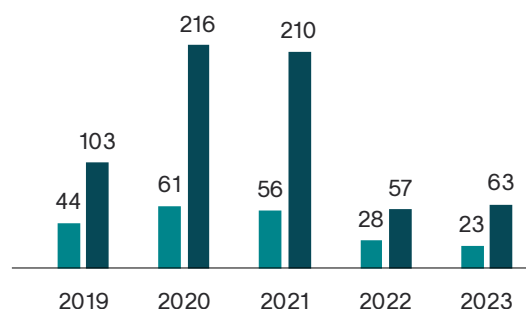
Share of the fund (%)

Validated SBT	5
Committed SBT	33
No SBT	62

## 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

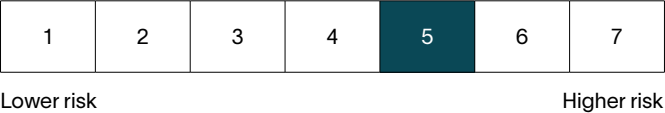
	Fund	Index
Sharpe ratio	-0,5	-0,6
Total risk (%)	26,0	24,5
Tracking error	6,3	
Information ratio	0,3	
Alpha	2,2	
Beta	1,0	
Portfolio turnover ratio	0,2	
Active share (%)	72	

Fund facts

Fund managers	Per Trygg & Hjalmar Ek
Launch date	08/04/00
NAV per unit	SEK 139.88
Fund size	SEKm 23,545
Ongoing costs*	1.7%
ISIN	SE0000740698
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300JC5787N3394631

\* 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\*

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. In 2022, Lannebo changed data provider.

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](https://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.

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.

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