

Monthly report August 2023

Lannebo Sverige Plus

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.

Elektä utvecklade positivt

Will the real interest rate soon be positive?



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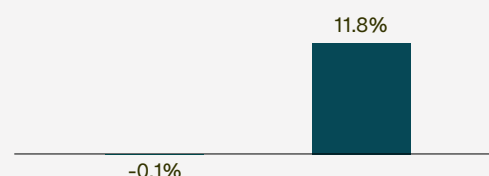
The Stockholm Stock Exchange's sideways movements that we mentioned in last month's report was broken during August and instead the SIXPRX developed negatively. The relationship between interest rate movements and the market's valuation levels varies between sectors and companies, but, in our opinion, should continue to be favorable for shares with low-valued profits. The real interest rate should soon become positive as inflation falls back below the central banks' key interest rates. Predicting central banks actions with any clarity is difficult in light of recent years, however, we consider a scenario with a positive turn in the economy together with sharp interest rate cuts to be far-fetched.

The PMI is an economic indicator that has steadily weakened since the beginning of 2022 - although there has been some improvement since the bottom in May. The calculation of the index is, however, distorted due to the effects of covid-19 and the invasion of Ukraine. Shorter delivery times are typically a negative indicator reflecting that economic activity is slowing. This time there are fewer supplier disruptions, which is positive, where, remarkably, this accounted for a third of last year's PMI fall.

The fund's holdings in SOBI and Handelsbanken performed better than the market as a whole with a development of +7 and -1 per cent respectively. SOBI fell sharply in May in connection with the acquisition of CTI BioPharma, which required a new issue. During August, the terms of the transaction were published and the share price recovered slightly. We believe that the expected profit development in relation to the valuation of the company is attractive. Handelsbanken is the only bank that had a negative return, excluding dividends, for the year. The high exposure to real estate is considered to have pressured the price at the same time as the bank is becoming increasingly overcapitalized. The return on equity is the lowest in the sector, which we assess will be addressed in the next 12 months.

The fund's performance*

■ 1 month
■ 1 year



Performance (%)	Fund	Index ¹
August 2023	-0.1	-3.7
YTD 2023	6.8	6.8
1 year	11.8	10.0
3 years	40.6	27.5
5 years	57.0	53.1
10 years	239.7	189.2
Since launch (12/11/08)	712.6	545.5
Average 24 months	1.9	-6.8
2022 ¹	-9.5	-22.8
2021 ¹	33.1	39.3
2020 ¹	11.7	14.8
2019 ¹	22.6	35.0
2018 ¹	-0.7	-4.4

¹ The performance is based on closing prices.

*Net of fees

Jan	Feb	Mar	Apr	May	Jun
9.2	2.5	-1.9	0.8	-4.7	-0.5
Jul	Aug	Sep	Oct	Nov	Dec
1.8	-0.1	-	-	-	-

SKF and Elekta developed weaker than the market as a whole, falling 11 and 7 per cent respectively. SKF fell during August along with the majority of industrial companies. The range for future expected profits has increased given weaker economic growth is expected to pressure sales volumes near term. Elekta reported Q1 earnings where sales increased by 8 per cent, excluding currency factors, while the gross margin improved to 41.5 per cent. Profitability was affected by certain one-off factors, but there is a clear underlying improvement even when adjusting for these factors. The operating margin improved by 7.2 percentage points to 11.2 per cent as a result of higher volumes, more service sales, and stable costs. The order book contains two years' turnover and there are fewer issues in logistics and production, thereby providing a positive view going forward.

Largest holdings

Holding	Share of the fund (%)
Swedbank A	8.5
Ericsson B	7.7
Handelsbanken A	7.7
Millicom Int. Cellular SDB	6.4
SEB A	5.3
Nokia EUR	4.8
Elekta B	4.8
Trelleborg B	4.7
Nordea	4.7
SKF B	4.7
Total ten largest holdings	59.3
Cash	6.7
Total number of holdings	32

Main changes

Bought	Sold
SSAB	Industrivärden
Stora Enso	Autoliv
Elekta	SKF

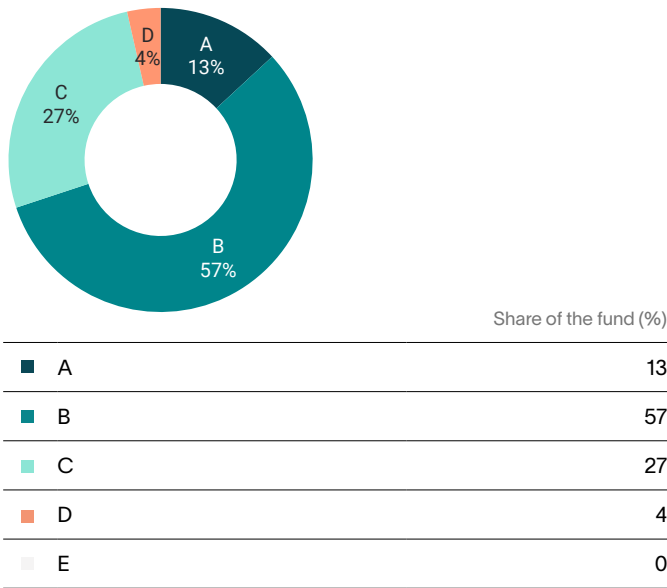
Sector allocation

Sector	Share of the fund (%)
Financials	27.8
Healthcare	16.5
Information technology	15.9
Industrials	12.0
Communication services	8.5
Consumer discretionary	5.2
Material	4.3
Consumer staples	3.2

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.



Nomination committees 2023

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

Company
Tobii
Trelleborg

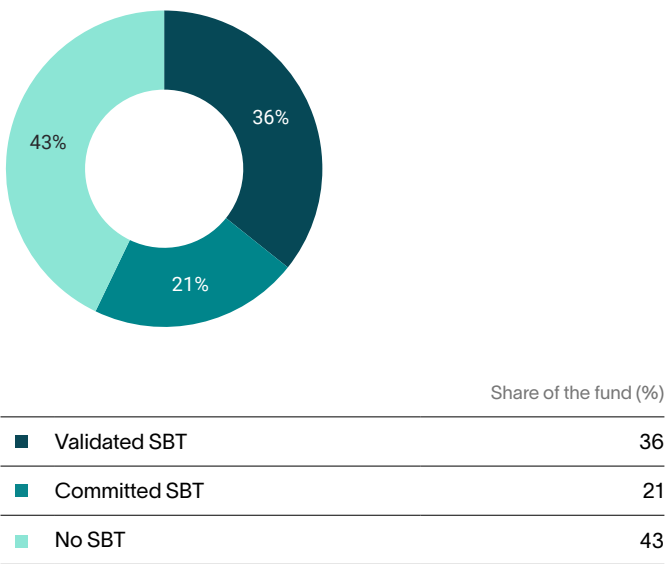
Voting

	Share of the fund where Lannebo has voted at the general meeting. (%)
2023 YTD	83
2022	75
2021	100

Climate target

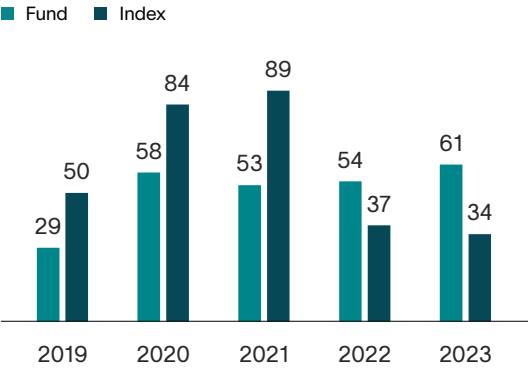
Lannebo has committed to a climate target that requires the companies in material sectors within its portfolios to establish science-based emissions reduction targets, SBT.

Year 2040: 100% Year 2030: 50%



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	35
Men	65

Financial ratios

	Fund	Index
Sharpe ratio	0.1	-0.3
Total risk (%)	17.7	21.1
Tracking error	11.4	
Information ratio	0.8	
Alpha	6.6	
Beta	0.7	
Portfolio turnover ratio	1.8	
Gross equity exposure (%)	106	
Net equity exposure (%)	93	
Active share (%)	83	

Fund facts

Fund managers	Martin Wallin & Robin Nestor
Launch date	12/11/08
NAV per unit	SEK 79.22
Fund size	SEKm 6,392
Ongoing costs*	1.4%
Performance fee	20% of any excess return
Return threshold	SIX Portfolio Return Index
ISIN	SE0002686584
Trading frequency	Daily
Minimum investment amount	SEK 100
PPM number	490292
Supervisory authority	Finansinspektionen
LEI	549300W8FUNESQQE9448

* 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

1	2	3	4	5	6	7
Lower risk						Higher risk

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

SIX Portfolio 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.

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.