

Lannebo

Sverige Hållbar

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.

Chaotic August

Handelsbanken a new holding



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The Stockholm Stock Exchange continued downward in August and was the worst performing market in the Nordics. The Danish market was the strongest market driven by Novo Nordisk, which is by far the largest company in the Nordics measured by market capitalization. Novo Nordisk presented promising trial data for their obesity drugs that are predicted to show very strong growth for a long time to come.

The market continued to be characterized by uncertainty over where the economy is headed and corresponding actions by central banks. This contributed to low stock market activity given the lack of any clear direction. In a market with thin liquidity, there are also large share price movements in individual stocks when there is company-specific news.

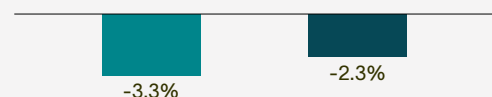
Renewable energy companies, or companies with a clear sustainability profile, continued to have a tough ride that affected several holdings. New power generation facilities have become significantly more expensive in recent years as the cost of capital has risen and input materials have become more expensive. Together with the sharp drop in electricity prices over the past year, it has become a market where few players make money. Electricity producers have low profitability and wind turbine manufacturers run at a loss. Nuclear power has become more popular, however, there is no interest in building new nuclear power plants without extensive government support and guarantees – a requirement for it to be competitive.

Global demand for new fossil-free energy remains very high and there is no doubt that this will grow rapidly for decades to come. The current focus is obtaining realistic expectations over the costs of new electricity production; consumers of electricity will likely need to accept a comparatively higher price in the future.

China has been in focus on the economic front. It is a challenge to follow developments in China because provided data is unreliable and, instead, it is better to pay attention to actual actions. It is now clear

The fund's performance*

- 1 month
- 1 year



Performance (%)	Fund ¹	Index ²
August 2023	-3.3	-3.7
YTD 2023	-3.7	6.8
1 year	-2.3	10.0
3 years	7.1	27.5
5 years	41.7	53.1
10 years	158.9	188.8
Since launch (10/01/10)	214.2	263.1
Average 24 months	-9.7	-6.8
2022 ³	-20.5	-22.8
2021 ³	23.0	39.3
2020 ³	24.1	14.8
2019 ³	34.2	35.0
2018 ³	-0.7	-4.4

¹ Performance of the fund before 20/12/18 is based on Lannebo Utdelningsfond.

² Before 10/12/18 the benchmark of the fund was SIX Return Index.

³ The performance is based on closing prices.

*Net of fees

Jan	Feb	Mar	Apr	May	Jun
4.2	-1.7	0.1	3.6	-3.5	0.4
Jul	Aug	Sep	Oct	Nov	Dec
-3.2	-3.3	-	-	-	-

that the leadership is concerned over the lack of growth. Various fiscal incentives have been launched, interest rates have been lowered, and banks' cash reserve requirements have been eased. However, it is an unanswered question as to how large an effect these actions will have. Many international companies are trying to reduce their dependence on China, the population is shrinking, and trade barriers on Chinese products and customers are increasing.

Market interest rates continued to rise during the month. Inflation has softened, but central banks are not completely satisfied with the development and they continue to send clear signals that further increases are on the agenda and that, in any case, it is far too early to consider interest rate cuts.

Handelsbanken was the largest investment during the month. The bank's share price has developed poorly, which is largely due to concerns over their loan portfolio to the real estate sector. The view of the bank will change as the real estate market stabilizes, which we believe it will. The valuation is attractive and the share provides a good dividend yield. We also increased our holdings in Finnish Metso and Danish Coloplast. The largest purchase during the month was made in the Finnish mining equipment company Metso.

The engineering company ABB has seen its share increase by over 30 per cent in 2023. We therefore chose to divest the entire holding given we assess there is greater potential in other shares, for example in the above-mentioned Metso. We also sold our holding in Ørsted and reduced the investment in ALK Abello.

Largest holdings

Holding	Share of the fund (%)
AstraZeneca	6.8
Nibe Industrier B	5.8
Swedbank A	5.2
OX2	5.0
SCA B	4.9
Inwido	4.6
Atlas Copco B	4.6
Sandvik	4.5
Hexagon B	4.4
Investor B	4.3
Total ten largest holdings	50.1
Cash	3.9
Total number of holdings	26

Main changes

Bought	Sold
Handelsbanken	ABB
Metso	Ørsted
Coloplast	Alk Abello

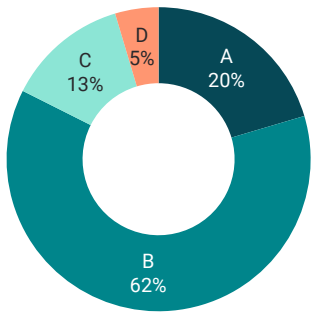
Sector allocation

Sector	Share of the fund (%)
Industrials	45.0
Financials	12.5
Energy	10.4
Healthcare	9.6
Material	5.5
Information technology	4.4
Consumer staples	3.4
Real estate	2.7
Consumer discretionary	2.6

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	20
B	62
C	13
D	5
E	0

Nomination committees 2023

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

Company
Balco
Inwido

Voting

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

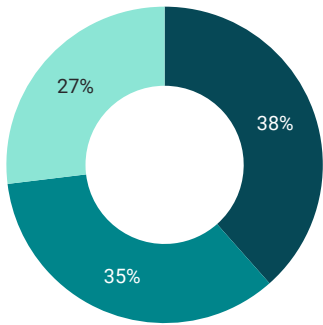
Share of the fund (%)

2023 YTD	68
2022	57
2021	84

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%

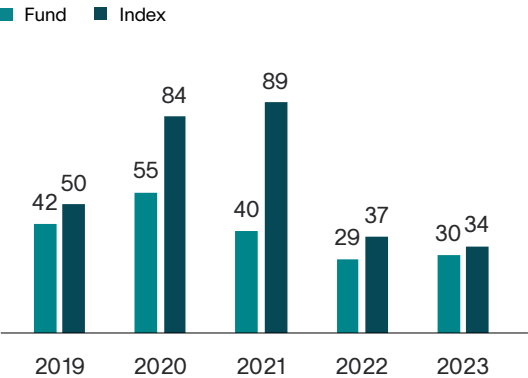


Share of the fund (%)

Validated SBT	38
Committed SBT	35
No SBT	27

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	34
Men	66

Financial ratios

	Fund	Index
Sharpe ratio	-0.5	-0.3
Total risk (%)	23.2	21.1
Tracking error	9.0	
Information ratio	-0.4	
Alpha	-3.3	
Beta	1.0	
Portfolio turnover ratio	0.5	
Active share (%)	71	

Fund facts

Fund managers	Charlotta Faxén & Peter Lagerlöf
Launch date	10/01/10
Launch date share class	12/20/18
NAV per unit	SEK 2,099.35
Fund size	SEKm 930
Ongoing costs*	1.8%
ISIN	SE0011973684
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300Y41WZFFONEIE996

* 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.

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.