

Lannebo High Yield

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 fund continues to develop strongly

Redeemed Heimstaden bonds



Karin Haraldsson
karin.haraldsson@lannebo.se



Katarina Carlsson
katarina.carlsson@lannebo.se

The fund continued to perform strongly due to high running yield. On the positive side, German Momox presented a quarterly report that confirms that the company is once again profitable and that indebtedness is back at low levels. Furthermore, the Swedish real estate company Heimstaden AB initiated a buyback program at a level well above the market price. We chose to redeem our holding given our assessment is that Heimstaden has several challenges to resolve going forward. On the negative side were weak earnings reports from construction- and consumer-related companies. We chose to reduce our holding in the Finnish food producer HKScan as the company continues to struggle with poor profitability.

The Nordic primary market gradually opened after the summer, where we participated in two new issues. The Norwegian shipping company Wallenius Wilhelmsen, a current holding, issued a new bond with a five-year maturity and a coupon rate of Nibor 3 months +3.25 per cent, which currently yields a coupon of 8 per cent. We also invested in Swedish Sdipotech. The company acquires companies within various types of infrastructure, such as water treatment, waste management, and energy – where, in many cases, there is a clear environmental focus. The company issued a sustainability-linked bond with the goal of reducing carbon emissions by 50 per cent by 2026. The bond has a four-year maturity and a coupon rate of Stibor 3 months +4.9 per cent.

Inflation continued to be high, although it had fallen somewhat from the peak. Most central banks are signaling further rate increases may be required.

The interest rate on a Swedish 5-year government bond rose slightly during the period from 2.7 to 2.9 per cent. The 2-year yields continued to trade higher than the 5-year, which indicates a belief in a coming recession and lower interest rates further down the line. The Stibor

The fund's performance*

■ 1 month
■ 1 year



Performance (%)	Fund	Index ¹
August 2023	0.6	0.8
YTD 2023	7.3	6.2
1 year	6.8	6.4
3 years	15.0	-
5 years	12.1	-
Since launch (01/30/15)	28.9	-
Average 24 months	2.9	-
2022 ¹	-2.1	0.0
2021 ¹	6.2	-
2020 ¹	-3.8	-
2019 ¹	5.0	-
2018 ¹	1.0	-

¹ The performance is based on closing prices.

* Net of fees

Jan	Feb	Mar	Apr	May	Jun
1.5	1.7	-0.9	1.1	1.4	0.6
Jul	Aug	Sep	Oct	Nov	Dec
1.0	0.6	-	-	-	-

3-month interest rate, which is the basis for setting interest rates on our Swedish floating-rate bonds, continued to increase during the period from 3.9 to 4.0 per cent.

Higher interest rates and wide credit spreads are now delivering historically high yields on corporate bonds. Given unchanged interest rates, the fund's annual rate of return is currently around 8.5 per cent after fees.

We maintained the funds structure. Both the credit duration, the average duration of all holdings in the fund, and the interest duration, measured as the average fixed interest period, were basically unchanged during the period. We have a low interest duration to protect the fund against rising interest rates. We hedge all foreign currency exposure to Swedish kronor.

Largest holdings

Holding	Share of the fund (%)
DNB Bank	4.4
Balder	3.8
European Energy	3.5
SEB	3.3
Cibus Nordic	3.2
Castellum	2.8
Link Mobility	2.7
Fastpartner	2.6
Fortaco Group	2.2
Momox Holding	2.2
Total ten largest issuers	30.7
Cash	16.4
Total number of issuers	58

Main changes

Bought	Sold
Sdiptech	HKScan
Wallenius Wilhelmsen	Heimstaden (inlösen)
-	-

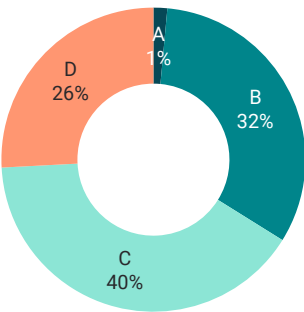
Sector allocation

Sector	Share of the fund (%)
Industrials	23.5
Real estate	19.2
Financials	15.1
Consumer discretionary	6.8
Information technology	6.0
Communication services	5.2
Energy	3.5
Healthcare	2.7
Material	1.1
Consumer staples	1.1

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.



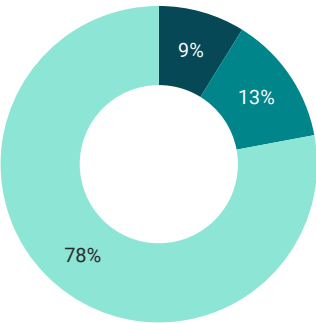
Share of the fund (%)

A	1
B	32
C	40
D	26
E	0

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	9
Committed SBT	13
No SBT	78

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	36
Men	64

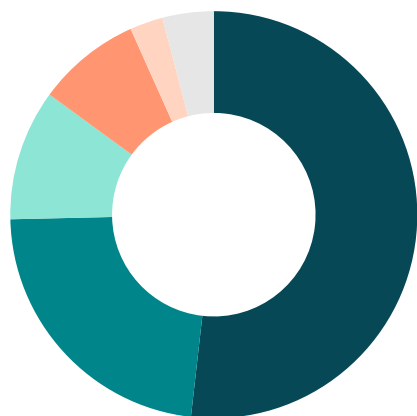
Financial ratios

	Fund	Index
Total risk (%)	3.6	-
Interest-rate duration (years)	0.9	
Credit duration (years)	2.4	
Portfolio turnover ratio	0.3	

Credit rating distribution

	Credit rating	% of the fund
Investment grade	AAA	0.0
	AA+/AA/AA-	0.0
	A+/A/A-	0.0
	BBB+/BBB/BBB-	13.4
High yield	BB+/BB/BB-	38.3
	B+/B/B-	31.9
	CCC/CC/C	0.0
Default	D	0.0
Cash		16.4
Offical credit rating, including cash		44.6

Country allocation



Country	% of the fund
Sweden	43.3
Norway	19.1
Finland	8.7
Denmark	6.9
Germany	2.2
Other	3.4

Fund facts

Fund managers	Karin Haraldsson & Katarina Carlsson
Launch date	01/30/15
NAV per unit	SEK 128.92
Fund size	SEKm 1026
Ongoing costs*	1.5%
ISIN	SE0006421855
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300XRFONRDKE3IM10

* 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).

Maturity profile

	% of the fund
< 1 år	6
1-3 år	47
3-5 år	29
> 5 år	2

The maturity profile of the fund excludes cash.

Risk indicator

1	2	3	4	5	6	7
Lower risk						Higher risk

Explanations*

Total risk

Given as the standard deviation of variations in the total return of the fund or index.

Interest-rate duration

Weighted average life.

Credit duration

Weighted average maturity.

Benchmark

NBP Nordic HY Aggregated Index SEK Hedged. 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.

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.

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