

Monthly report October 2023

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 continued to develop strongly

Increased the holding in Balder



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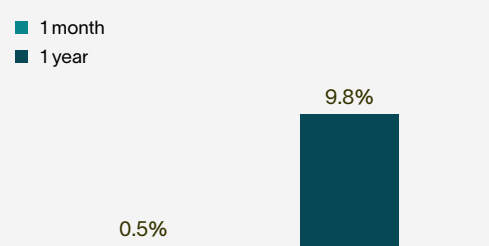
The fund's positive return during the month was largely due to the fund's high running yield.

The primary market remained active and we participated in several new issues. Norwegian NRC Group is a new holding – a company active in railway construction, both new construction and maintenance. NRC is the market leader in the Nordics, where the Swedish Transport Administration is their primary customer in Sweden. We value the less cyclically sensitive sector the company operates in, together with the company's stable customers. NRC issued a green bond with a four-year maturity and a coupon of Nibor 3 months +4.4 per cent, which currently yields just over 9 per cent. We also invested in a new bond issued by Swedish Vestum; the company redeemed its shorter-term bonds in conjunction with the new issue. During the period, we increased our holding in the Swedish property company Balder. We consider the risk-adjusted yield on Balder's bonds attractive with yield between 8 and 9 per cent, depending on the maturity, for an investment grade rated company.

During the period, real estate company Corem announced it had divested properties valued at just over SEK 1 billion and signed letters of intent to sell additional properties at a value of SEK 11 billion. Our assessment is that these divestments significantly reduce the company's financial risk. We increased our holding in Corem during the period.

Inflation remained high, although it is falling back, and the market believes we are starting to approach the peak interest rate. During the month, the ECB, during its meeting, left its policy rate unchanged. Neither the Riksbank nor the American FED made any interest rate announcements. Our Swedish key interest rate is 4 per cent and the Riksbank has not ruled out a further increase in November.

The fund's performance*



| Performance (%) | Fund | Index ¹ |
|-------------------------|------|--------------------|
| October 2023 | 0.5 | 0.3 |
| YTD 2023 | 8.5 | 6.7 |
| 1 year | 9.8 | 8.6 |
| 3 years | 15.5 | - |
| 5 years | 13.1 | - |
| Since launch (01/30/15) | 30.3 | - |
| Average 24 months | 3.1 | - |
| 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 | 0.6 | 0.5 | - | - |

The interest rate on Swedish 5-year government bonds fell back slightly during the period from 3.1 to 3.0 per cent. The 2-year yields continued to trade higher than 5-year yields, which indicates a belief in a coming recession and lower interest rates further down the line. The Stibor 3-month interest rate, which is the basis for the interest rate setting on our Swedish floating-rate bonds, was unchanged at 4.1 per cent.

Higher interest rates and wide credit spreads are now leading to historically high yields on corporate bonds. Given an unchanged interest rate, the fund's running yield is currently around 8.8 per cent after fees.

We maintained the fund's structure during the period. 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 keep a low interest duration to protect the fund against rising interest rates. We hedge all foreign currency exposure to the Swedish kronor.

Largest holdings

| Holding | Share of the fund (%) |
|----------------------------------|-----------------------|
| Balder | 5.4 |
| DNB Bank | 5.0 |
| Castellum | 3.8 |
| European Energy | 3.5 |
| SEB | 3.0 |
| Corem Property Group | 2.8 |
| Cibus Nordic | 2.7 |
| Intrum | 2.4 |
| Link Mobility | 2.4 |
| Fastpartner | 2.3 |
| Total ten largest issuers | 33.3 |
| Cash | 13.8 |
| Total number of issuers | 59 |

Main changes

| Bought | Sold |
|-----------|------|
| Balder | - |
| Corem | - |
| NRC Group | - |

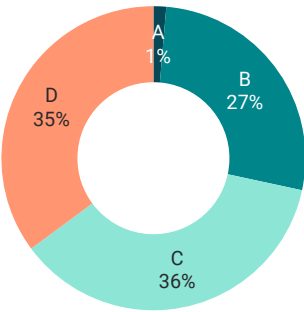
Sector allocation

| Sector | Share of the fund (%) |
|------------------------|-----------------------|
| Industrials | 25.7 |
| Real estate | 23.2 |
| Financials | 15.0 |
| Consumer discretionary | 5.4 |
| Information technology | 5.2 |
| Communication services | 4.6 |
| Energy | 3.5 |
| Healthcare | 1.7 |
| Material | 1.0 |
| Consumer staples | 0.9 |

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.



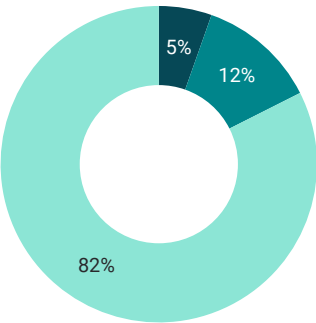
Share of the fund (%)

| | |
|---|----|
| A | 1 |
| B | 27 |
| C | 36 |
| D | 35 |
| 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 | 5 |
| Committed SBT | 12 |
| No SBT | 82 |

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 | 37 |
| Men | 63 |

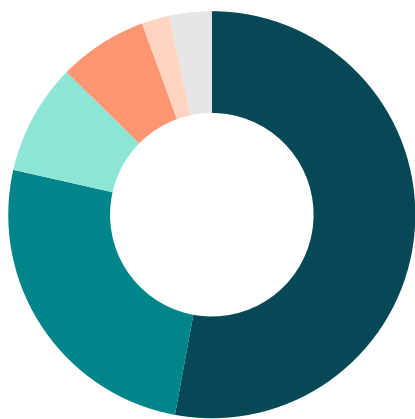
Financial ratios

| | Fund | Index |
|--------------------------------|------|-------|
| Total risk (%) | 3.6 | - |
| Interest-rate duration (years) | 0.6 | |
| Credit duration (years) | 2.6 | |
| 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- | 15.2 |
| High yield | BB+/BB/BB- | 43.0 |
| | B+/B/B- | 28.0 |
| | CCC/CC/C | 0.0 |
| Default | D | 0.0 |
| Cash | | 13.8 |
| Total official credit rating | | 32.8 |

Country allocation



| Country | % of the fund |
|---------|---------------|
| Sweden | 45.6 |
| Norway | 22.1 |
| Finland | 7.6 |
| Denmark | 6.1 |
| Germany | 1.9 |
| Other | 2.9 |

Fund facts

| | |
|---------------------------|--------------------------------------|
| Fund managers | Karin Haraldsson & Katarina Carlsson |
| Launch date | 01/30/15 |
| NAV per unit | SEK 130.33 |
| Fund size | SEKm 1,166 |
| 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 | 9 |
| 1-3 år | 46 |
| 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.