

# Lannebo Småbolag EUR

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.

## Stock market off to a cautious start in the new year

### Hexpol exhibits good resilience



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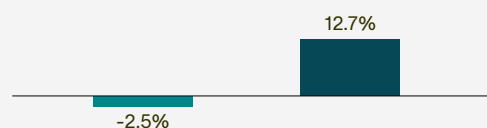
After a strong end to the 2023 stock market year, 2024 began cautiously. Similar to previous recent weak months, clouds of worry are primarily linked to future interest rate developments, how quickly inflation will come down towards central banks' targets, and the business cycle. The above is difficult to have any definitive opinion on, however, we can select which companies we choose to invest in. We note, from the few quarterly reports released so far, that our holdings exhibit an impressive resilience in tougher times. Over time, the decisive factor for the fund's performance will be that the companies we invest in deliver profitable growth at reasonable valuations – and not whether the Riksbank lowers the policy rate two, three or four times in 2024.

The first of the quarterly reports were presented during the month, and so far, given the current economic climate, the assessment is quite positive. Turnover for rubber company Hexpol fell by 14 per cent organically due to falling raw material prices and lower demand. Despite this, the company achieved a small profit increase and very strong cash flow, driven by good margin development and reduced working capital needs. During December, the company announced they had recruited a new CEO who will start no later than July 2024. Klas Dahlberg has a solid industrial background and currently works for Nibe's largest business area, Climate Solutions.

HMS Networks, active in equipment for industrial communication, released a financial report where order intake was sharply down due to customers reducing their inventories. HMS has been clear that normalized lead times in supply chains would mean that the previously exceptionally strong order intake would normalize, which is what we are now witnessing. Although this can be expected to last for a period of time, we consider HMS's market position and ability to drive profitable growth over time as unchanged.

### The fund's performance\*

- 1 month
- 1 year



Performance (%)	Fund
January 2024	-2.5
YTD 2024	-2.5
1 year	12.7
3 years	-2.5
5 years	53.6
Since launch (08/04/00)	1 500.3
Average 24 months	-5.9
2023 <sup>1</sup>	23.4
2022 <sup>1</sup>	-36.7
2021 <sup>1</sup>	27.2
2020 <sup>1</sup>	22.6
2019 <sup>1</sup>	36.3

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

\* Net of fees

Jan	Feb	Mar	Apr	May	Jun
-2.5	-	-	-	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

During the month, we continued to increase the holdings in quality companies - such as Indutrade, Sectra and Beijer Ref - that we assess to have good long-term growth opportunities.

## Largest holdings

Holding	Share of the fund (%)
AddTech B	6.2
Beijer Ref B	5.6
Lifco B	5.4
Trelleborg B	4.7
AAK	4.6
Lagercrantz	4.6
Indutrade	4.4
Balder B	4.4
Sagax B	4.3
Bufab	4.1
<b>Total ten largest holdings</b>	<b>48.3</b>
Cash	2.7
Total number of holdings	36

## Main changes

Bought	Sold
Indutrade	-
Sectra	-
Beijer Ref	-

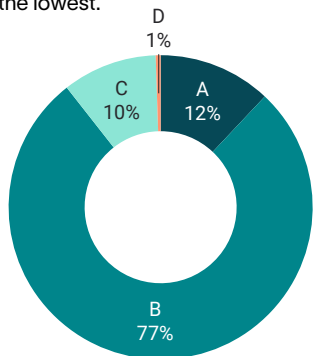
## Sector allocation

Sector	Share of the fund (%)
Industrials	47.9
Information technology	20.8
Real estate	13.7
Consumer staples	7.7
Healthcare	4.4
Financials	2.9

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	12
■ B	77
■ C	10
■ D	1
■ E	0

### Nomination committees

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

Company	
Addnode	Lagercrantz
Addtech	Loomis
Axfood	NCAB
Beijer Alma	Nyfosa
Bufab	Trelleborg
CreaSpac	
Hexpol	

### Voting

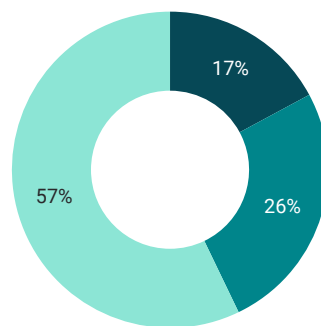
Share of the fund where Lannebo has voted at the general meeting.

	Share of the fund (%)
2024 YTD	0
2023	87
2022	93

### 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%

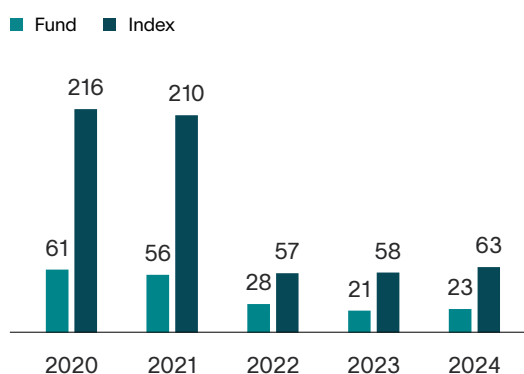


Share of the fund (%)

■ Validated SBT	17
■ Committed SBT	26
■ No SBT	57

### 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

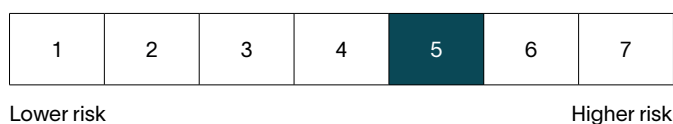
	Fund	Index
Sharpe ratio	-0.2	-0.3
Total risk (%)	31.2	29.3
Tracking error	6.5	
Information ratio	0.5	
Alpha	4	
Beta	1	
Portfolio turnover ratio	0.2	
Active share (%)	69	

## Fund facts

Fund managers	Per Trygg & Hjalmar Ek
Launch date	08/04/00
NAV per unit	EUR 179.22
Fund size	EURm 2,468
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 EUR. 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).

### 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

### 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.

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.

### Total risk

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

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