

# 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.

## Banks give back

Some companies are showing signs of bottoming-out sales volumes



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The Stockholm Stock Exchange fell back after a strong increase at the end of last year. Interest rate expectations are still weighted towards historically large rate cuts in 2024. The economy as a whole is slowing down and several company earnings reports show declining sales volumes and implemented cost savings. More and more staff reductions are being carried out to preserve competitiveness and profitability, which has affected employees at, for example, Autoliv, Sandvik, Ericsson, and Stora Enso. Whether we are in the eye of the storm from the so-called "soft landing" remains to be seen - but there are signs that the fall in volumes in certain segments of the industrial, telecom, and forest industries could have come to an end.

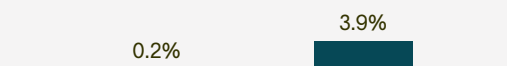
Swedbank and SEB reported falling profits quarter over quarter. The RoE remains good after several years of weak profitability in a low interest rate environment. Swedbank and SEB, together with Nordea and Handelsbanken, have built up capital reserves that exceeds imposed requirements, despite excessive costs to counter money laundering and for regulatory compliance. Continued low credit losses made it possible for Swedbank and SEB to announce dividends and share buybacks for portions of the surplus capital.

Ericsson and Nokia's earnings reports disclosed a continued tough network market where the US operators are still limiting investments. For Ericsson, sales in North America fell by 40 per cent in 2023 and Nokia sales dropped 30 per cent. The respective companies are reviewing their costs and cash flow while waiting for volumes to improve. We consider the valuations to be low on diluted earnings. The p/e ratio for the current year for Ericsson and Nokia is around 10 and both companies have strong balance sheets.

Essity released Q4 financials, where the profit increased sharply compared to the previous year. However, the adjusted operating profit

## The fund's performance\*

- 1 month
- 1 year



Performance (%)	Fund	Index <sup>1</sup>
January 2024	0.2	-1.7
YTD 2024	0.2	-1.7
1 year	3.9	8.6
3 years	30.1	23.0
5 years	75.6	81.5
10 years	229.5	192.0
Since launch (12/11/08)	763.2	608.5
Average 24 months	2.3	0.2
2023 <sup>1</sup>	13.6	19.2
2022 <sup>1</sup>	-9.5	-22.8
2021 <sup>1</sup>	33.1	39.3
2020 <sup>1</sup>	11.7	14.8
2019 <sup>1</sup>	22.6	35.0

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

\*Net of fees

Jan	Feb	Mar	Apr	May	Jun
0.2	-	-	-	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

before amortizations of SEK 4.9 billion and the margin of 13.3 per cent fell short of the market's expectations. The recent years challenges pressured the company's margin levels and forced a restructuring. For the full year 2023, the absolute profit levels were record high at the same time as structural improvements were made within "consumer goods". The balance sheet is expected to be strengthened by approximately SEK 19 billion in connection with the proceeds from the sale of Vinda, which should lead to share buybacks.

## Largest holdings

Holding	Share of the fund (%)
Ericsson B	7.6
Handelsbanken A	7.2
Swedbank A	6.3
Essity B	6.2
Millicom Int. Cellular SDB	5.3
SEB A	4.8
Nordea	4.8
Nokia EUR	4.7
Elekta B	4.6
SKF B	4.4
<b>Total ten largest holdings</b>	<b>55.9</b>
Cash	6.3
Total number of holdings	31

## Main changes

Bought	Sold
Essity	Swedbank
Autoliv	SOBI
Ericsson	Sandvik

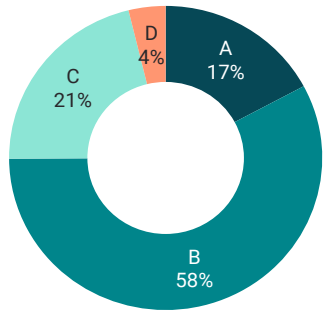
## Sector allocation

Sector	Share of the fund (%)
Financials	23.7
Healthcare	15.6
Information technology	14.9
Industrials	13.8
Material	7.4
Consumer discretionary	6.9
Consumer staples	6.2
Communication services	5.3

## 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	17
■ B	58
■ C	21
■ D	4
■ E	0

### Nomination committees

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

Company

Hexpol

Tobii Dynavox

Trelleborg

### Voting

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

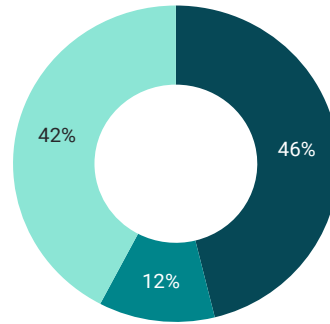
Share of the fund (%)

2024 YTD	0
2023	80
2022	75

### 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%



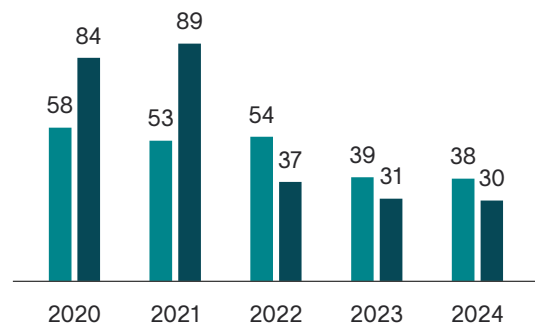
Share of the fund (%)

■ Validated SBT	46
■ Committed SBT	12
■ No SBT	42

### 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.

■ Fund    ■ Index



### 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

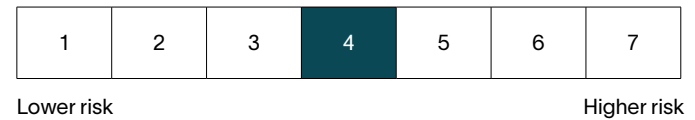
	Fund	Index
Sharpe ratio	0.1	0.0
Total risk (%)	17.7	20.9
Tracking error	10.1	
Information ratio	0.2	
Alpha	2.1	
Beta	0.7	
Portfolio turnover ratio	1.7	
Gross equity exposure (%)	103	
Net equity exposure (%)	94	
Active share (%)	83	

## Fund facts

Fund managers	Martin Wallin & Robin Nestor
Launch date	12/11/08
NAV per unit	SEK 84.15
Fund size	SEKm 7,270
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



## 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 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.