

# Lannebo Teknik

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.



## 2024 off to a strong start

### Cybersecurity remains strong



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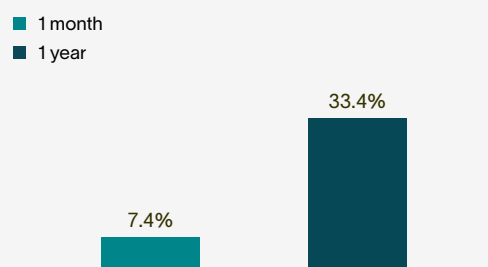


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We entered 2024 with a strong development behind us following the euphoria at the end of last year. Not least, the larger technology companies continued to develop positively. However, we did see a rotation and the take-home of profits in the first week of 2024, which appeared to be more flow-driven given investors thought the market moved a bit too quickly upwards at the end of last year. The dip was short-term; thereafter, the market has again turned upwards and the fund returned just over 7 per cent during the first month of the year. The market is still primarily driven by inflation and interest rate expectations, even if earnings releases were given some air-time at the end of the month. The belief seems to be that inflation will come down and there after interest rate cuts, which then means that we will not have a deeper recession. In other words, we get the soft landing we've been talking about for so long. This seems to be the market consensus - even though historically, when interest rates have been raised, it would have been more common that unemployment increased in conjunction with a recession. Regardless, the earnings reports released so far seem to indicate a stable development with high profit margins. There are some exceptions where we see that the weaker economy has had its effects. Then again, given the stock market increases, we also enter the reporting season with relatively high expectations, where several companies are trading at all-time highs.

Palo Alto Networks, ASML and Microsoft have made the largest positive contributions to the fund's performance. Data security has been a theme that has seen a strong development, which is gratifying given it is a theme that we have focused on for some time now. We have even received media attention on this, including an article in Affärsvärlden that will be published at the same time as this newsletter. What is not so exciting is that cyberattacks have increased by 300 per cent since the pandemic and that hackers are becoming increasingly advanced - not least with the rise of AI. So it is important that security companies and their customers develop at a pace that is the same or faster in order to withstand the cyberattacks. Otherwise, the AI

### The fund's performance\*



Performance (%)	Fund	Index <sup>1</sup>
January 2024	7.4	8.0
YTD 2024	7.4	8.0
1 year	33.4	44.5
3 years	51.2	77.2
5 years	151.2	200.8
10 years	602.7	740.9
Since launch (08/04/00)	111.5	335.8
Average 24 months	10.8	16.6
2023 <sup>1</sup>	35.6	49.1
2022 <sup>1</sup>	-20.8	-21.7
2021 <sup>1</sup>	31.4	41.5
2020 <sup>1</sup>	29.5	23.0
2019 <sup>1</sup>	40.6	50.8

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

\* Net of fees

Jan	Feb	Mar	Apr	May	Jun
7.4	-	-	-	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

theme continues to drive share prices in companies such as Microsoft, Nvidia, AMD, and others. ASML has also performed strongly on the AI theme, but also on the fact that the market now sees a bottoming in the semiconductor cycle, not least when they reported order intake for Q4, which was very strong. Even their biggest customer, TSMC, released a good earnings report and provided positive growth forecasts for the coming years.

In the same spirit as in 2023, the large technology companies continued to outperform smaller companies. The significant performance difference between large- and small-caps in the past year means that small caps now have relatively low valuations, but also good forecasts for growth in the coming year. However, in January it was small caps, such as Tomra and Sinch, that contributed most negatively to the fund's development. We also saw that First Solar, which, like Tomra, is part of the sustainability theme, continued to have a tough time and was the third largest negative contributor to the fund's performance. The negative sentiment around companies within the sustainability theme remains. Then again, both companies are also affected by higher costs and, to some extent, higher interest rates.

Oracle released a weak earnings report late last year that was not well received by the market. We were disappointed with the growth in cloud services, where it appears that the competition is running away from them. Several negative signals led us to divest our entire holding in Oracle during January. We also chose to sell part of the holding in Palo Alto Networks after a period of very strong share price development where the holding became too large a part of the portfolio. We used portions of the liquidity to increase the holding in ASML. We also invested in a new holding, Spanish Amadeus IT. Amadeus has a very strong market position in terms of software and services for the travel industry. Among other things, the company delivers products that cover the passenger's entire journey from booking-to-boarding. We assess Amadeus to be the market leader, where competitors are weaker with lower quality offerings. Amadeus should be able to achieve double-digit profit growth and a strong cash flow that can contribute to share buybacks and a good dividend. Regardless of the qualitative characteristics, the company shows good growth and is also traded at a valuation that we believe offers potential for upside.

## Largest holdings

Holding	Share of the fund (%)
Microsoft	8.3
Palo Alto Networks	6.0
Alphabet A	6.0
Salesforce	5.2
Amazon	5.0
Adobe	4.8
ASML	4.6
International Business Machine	4.2
Mastercard	4.0
Intuit	4.0
<b>Total ten largest holdings</b>	<b>52.1</b>
Cash	8.3
Total number of holdings	27

## Main changes

Bought	Sold
Amadeus IT	Oracle
ASML	Palo Alto Networks
-	-

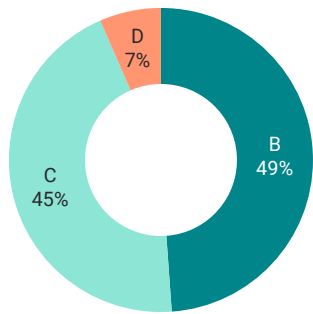
## Sector allocation

Sector	Share of the fund (%)
Information technology	75.9
Communication services	6.0
Consumer discretionary	5.0
Healthcare	3.7
Industrials	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	0
■ B	49
■ C	45
■ D	7
■ E	0

### Voting

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

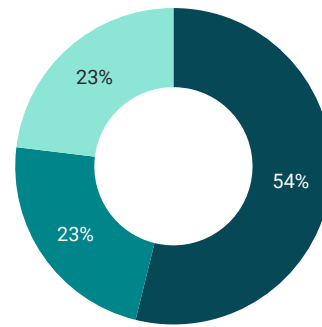
Share of the fund (%)

2023 YTD	0
2022	5
2021	15

### 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%



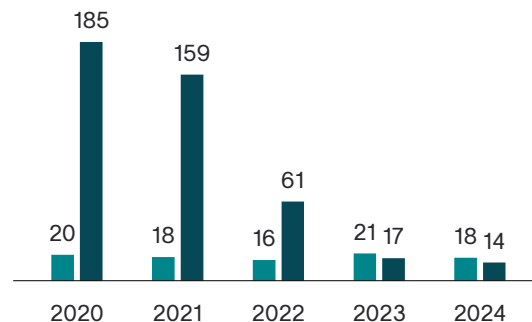
Share of the fund (%)

■ Validated SBT	54
■ Committed SBT	23
■ No SBT	23

### 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.

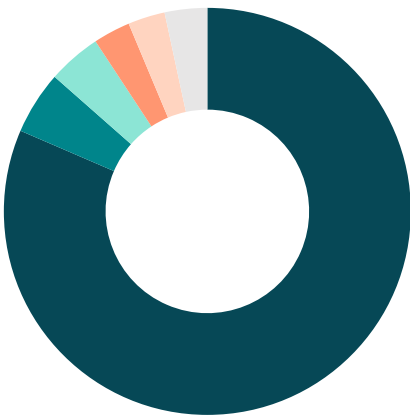
Share (%)

Women	33
Men	67

## Financial ratios

	Fund	Index
Sharpe ratio	0.5	0.7
Total risk (%)	20.5	23.4
Tracking error	4.6	
Information ratio	-1.4	
Alpha	-3.9	
Beta	0.9	
Portfolio turnover ratio	0.1	
Active share (%)	67	

## Country allocation



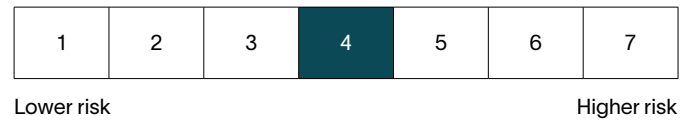
Country	Share of the fund (%)
United States	74.8
Netherlands	4.6
Japan	3.9
France	2.7
Guernsey	2.7
Other	3.1

## Fund facts

Fund managers	Johan Nilke & Helen Groth
Launch date	08/04/00
NAV per unit	SEK 19.93
Fund size	SEKm 9,934
Ongoing charges*	1.6%
ISIN	SE0000740672
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300Y3UW5Y5DPJSO02

\* 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\*

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### 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.

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### 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.

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### Benchmark

MSCI World IT 10/40 Net Total Return Index\* calculated in SEK. 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.

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### 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.

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### 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

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### 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](http://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.

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### Information ratio

A measure of riskadjusted return. This is measured as the active return divided by the portfolio's active risk.

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### Total risk

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

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### 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.