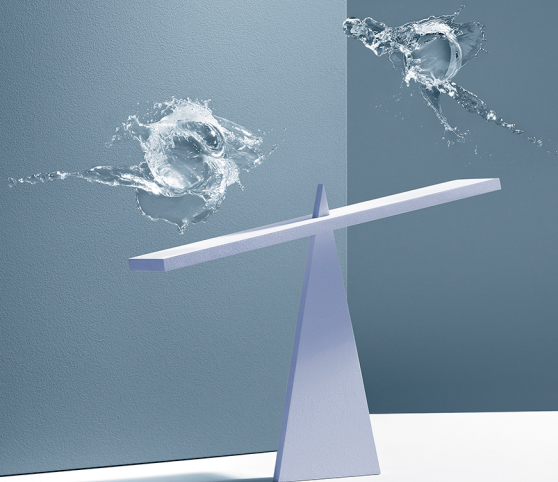


Monthly report February 2024

# 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.



## Strong start to the year

### A very active market



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February saw the same trends as seen in January with a strong credit market and narrowing credit spreads.

There was continued high activity on the primary market and we participated in several issues. We invested in both Norwegian DNB's and Swedish Swedbank's subordinated capital issue. We made the assessment that subordinated capital in these well-managed Nordic banks provides an attractive return. Swedbank's bond carries an interest rate of 7.75%. We also invested in a bond issued by Norwegian Airswift, a staffing company specialized in the energy sector that mainly employs engineers. The company issued a 5-year bond with a fixed coupon rate of 10%.

We divested some of our bonds in Balder and Castellum, where both traded up and now yield more in line with the investment grade segment; as such, we see limited further upside.

Over the past year, we have increased the fund's credit quality given we do not assess we are financially rewarded for the additional credit risk due to high interest rates.

Inflation continued to fall back and we have likely seen the last rate hike; focus has shifted to when the first rates cuts will be announced. The Riksbank left its policy rate unchanged during the month. The Swedish 5-year government bond rate rose during the month. The 2-year interest rates are still higher than the 5-year rates, albeit the difference has narrowed. The Stibor 3-month interest rate, which is the basis for the interest rate setting on our Swedish floating-rate bonds, was basically unchanged at 4.1 per cent.

### The fund's return\*

■ 1 month  
■ 1 year



Performance (%)	Fund	Index <sup>1</sup>
February 2024	0.7	0.6
YTD 2024	2.4	2.7
1 year	9.9	8.0
3 years	15.7	0.0
5 years	17.8	0.0
Since launch (01/30/15)	36.2	0.0
Average 24 months	6.1	6.2
2023 <sup>1</sup>	10.3	8.6
2022 <sup>1</sup>	-2.1	0.0
2021 <sup>1</sup>	6.2	-
2020 <sup>1</sup>	-3.8	-
2019 <sup>1</sup>	5.0	-

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

\* Net of fees

Jan	Feb	Mar	Apr	May	Jun
1.7	0.7	-	-	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

We increased both the credit duration, the average duration of all holdings in the fund, and the interest duration, measured as the average fixed interest period, slightly during the period. This is a consequence of our investments in bonds with slightly longer terms, together with some investments that have a fixed interest rate. We hedge all currency exposure to the Swedish kronor.

Yields on corporate bonds are still historically high, even if credit spreads have narrowed somewhat. The fund's running yield, given an unchanged interest rate, is currently just over 7 per cent after fees.

## Largest holdings

Holding	Share of the fund (%)
Nordea Bank	3.8
DNB Bank	3.4
Svenska Handelsbanken	3.0
Storskogen Group	2.9
Corem Property Group	2.8
European Energy	2.6
SEB	2.4
NP3 Fastigheter	2.3
Balder	2.3
Cibus Nordic	2.2
<b>Total ten largest issuers</b>	<b>27.7</b>
Cash	13.3
Total number of issuers	66

## Main changes

Bought	Sold
Airswift	Balder
Cegal	Castellum
Scatec	-

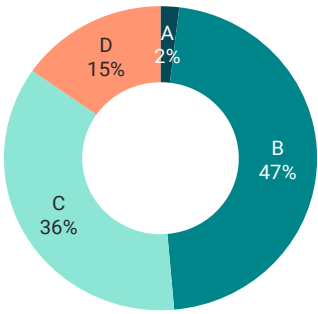
## Sector allocation

Sector	Share of the fund (%)
Industrials	29.3
Financials	21.1
Real estate	18.4
Consumer discretionary	4.6
Information technology	3.7
Communication services	3.1
Energy	2.6
Healthcare	1.9
Kraftförsörjning	0.9
Consumer staples	0.8

## 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.



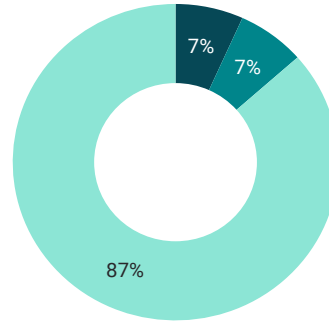
Share of the fund (%)

■ A	2
■ B	47
■ C	36
■ D	15
■ 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	7
■ Committed SBT	7
■ No SBT	87

### 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	40
Men	60

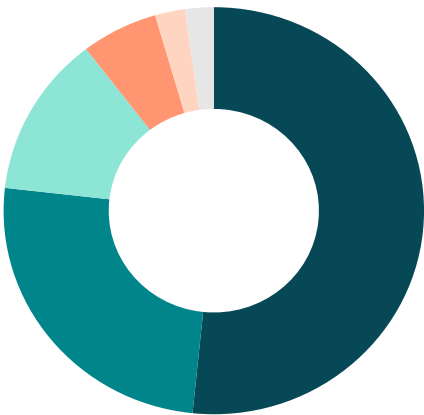
## Financial ratios

	Fund	Index
Total risk (%)	3.5	-
Interest-rate duration (years)	0.9	
Credit duration (years)	2.9	
Portfolio turnover ratio	0.4	

## Credit rating distribution

	Credit rating	% of the fund
Investment grade	AAA	0.0
	AA+/AA/AA-	-0.2
	A+/A/A-	0.0
	BBB+/BBB/BBB-	18.3
High yield	BB+/BB/BB-	38.0
	B+/B/B-	30.6
	CCC/CC/C	0.0
Default	D	0.0
Cash		13.3
Total official credit rating		32.4

## Country allocation



Country	% of the fund
Sweden	44.7
Norway	21.8
Finland	11.1
Denmark	5.1
Bermuda	2
Other	1.9

## Fund facts

Fund managers	Karin Haraldsson & Katarina Carlsson
Launch date	01/30/15
NAV per unit	SEK 136.21
Fund size	SEKm 1,913
Management Fee	0.9%
Ongoing costs*	1.3%
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	37
3-5 år	36
> 5 år	8

The maturity profile of the fund excludes cash.

## Risk indicator

1	2	3	4	5	6	7	
Lower risk							Higher risk

## Explanations\*

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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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### Interest-rate duration

Weighted average life.

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### Credit duration

Weighted average maturity.

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### 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](https://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.