

Lannebo Småbolag

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.

Quarterly earnings in focus

AAK and Mycronic release strong earnings



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February's stock market was more positive than January, largely thanks to a generally good earnings period. Companies overall managed to handle the economic slowdown well, which is also milder than many feared. At the same time, positive economic data has meant expectations for interest rate cuts have decreased in magnitude and been pushed forward in time. On the whole, it is probably better that the stock market performs well based on good fundamental economic developments rather than hopes for lower interest rates.

Essentially, all our holdings have reported earnings and the general picture is still largely positive. Companies, with a few exceptions, managed to defend their margins, despite deteriorating demand. Many holdings also managed to continue releasing working capital and thus generated strong cash flows.

AAK, Mycronic and Addtech stood out on the positive side of earnings releases. Vegetable oils and fats company AAK continued to show high profit growth, with operating profit increasing almost 50 per cent in the quarter. The development is, as previously, driven by increased profit/kilo, better production efficiency, and favorable price trends. Cash flow was also strong in the quarter and the company has a strong balance sheet to use for possible acquisition opportunities or significant dividends to shareholders. Technology company Mycronic grew sales by just over 30 per cent and generated a profit growth of well over 100 per cent. The per-quarter profit development can be volatile as a result of individual large deliveries within the company's highly profitable mask writers segment. It is worth noting, however, that several of the company's other business areas also had a strong end to 2023. Mycronic enters 2024 with a fully subscribed order book in mask writers and significant net cash. Addtech delivered another strong quarter and grew revenue and operating profit by 7 per cent, despite weaker demand and challenging comparative figures. Cash generation

The fund's return*

- 1 month
- 1 year



Performance (%)	Fund	Index ¹
February 2024	3.2	1.0
YTD 2024	1.6	-1.3
1 year	12.2	3.2
3 years	10.6	4.2
5 years	63.0	65.8
10 years	235.7	232.0
Since launch (08/04/00)	1922.0	1322.5
Average 24 months	3.8	-2.4
2023 ¹	22.2	14.7
2022 ¹	-31.2	-31.4
2021 ¹	29.5	37.1
2020 ¹	18.0	23.0
2019 ¹	40.4	43.2

¹ The performance is based on closing prices.

* Net of fees

Jan	Feb	Mar	Apr	May	Jun
-1.6	3.2	-	-	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

also continued to be strong. Addtech benefits from its diversification between different segments, which reduces demand volatility.

Bravida was, unfortunately, again found on the negative side. The company is struggling with a weak installation market, but also with challenges linked to several projects in Denmark. Despite revenue growth of 2 per cent, operating profit fell 11 per cent due to the problems in Denmark. We had already significantly reduced our holding, but have now sold the fund's remaining shares. The holdings in the contract manufacturer Nolato and the property company Balder were also reduced. In the case of Balder, we chose to increase our holding in sector colleague NP3 instead. The holding in the IT company Sectra was increased during the month.

Largest holdings

Holding	Share of the fund (%)
AddTech B	6.1
Beijer Ref B	5.5
Lifco B	5.5
Trelleborg B	5.4
Lagercrantz	4.9
Indutrade	4.6
AAK	4.4
Bufab	4.2
Sagax B	4.0
Mycronic	3.8
Total ten largest holdings	48.4
Cash	3.5
Total number of holdings	36

Main changes

Bought	Sold
NP3	Bravida
Sectra	Nolato
Beijer Ref	Balder

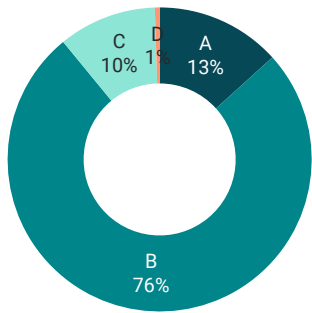
Sector allocation

Sector	Share of the fund (%)
Industrials	47.3
Information technology	22.4
Real estate	12.3
Consumer staples	7.6
Healthcare	3.7
Financials	3.1

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	13
■ B	76
■ 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

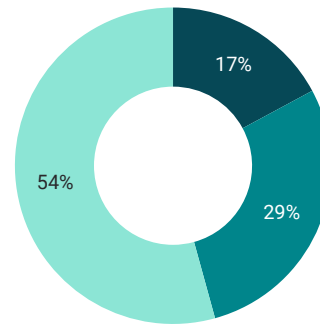
Share of the fund where Lannebo has voted at the general meeting.

	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%

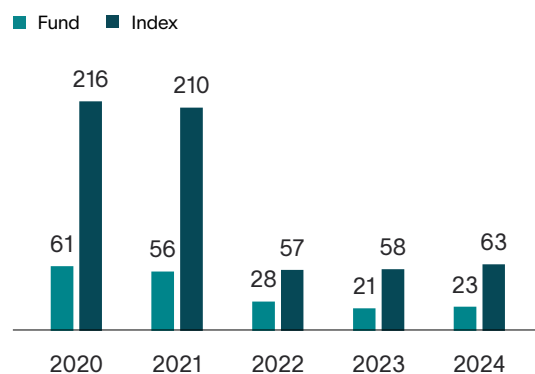


Share of the fund (%)

■ Validated SBT	17
■ Committed SBT	29
■ No SBT	54

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	33
Men	67

Financial ratios

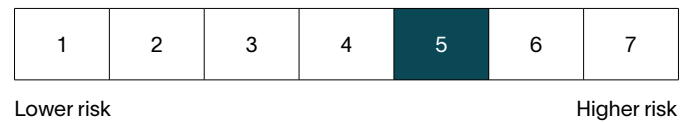
	Fund	Index
Sharpe ratio	0.1	-0.1
Total risk (%)	26.0	24.0
Tracking error	6.6	
Information ratio	0.9	
Alpha	5.9	
Beta	1.1	
Portfolio turnover ratio	0.2	
Active share (%)	68	

Fund facts

Fund managers	Per Trygg & Hjalmar Ek
Launch date	08/04/00
NAV per unit	SEK 166.58
Fund size	SEKm 28,584
Management Fee	1.6%
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.

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.