

Monthly report February 2024

# Lannebo Sustainable Corporate Bond

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.



## Positive market

### Several new holdings



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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 a new bond issued by Norwegian Scatec, which is a new holding. Scatec produces energy via wind and solar power parks, mainly in developing countries. The company issued a green bond with a 5-year maturity and a coupon rate of Nibor + 4.25 per cent, which currently means a yield of just under 9 per cent. We also invested in new bonds issued by property companies Arwidsro and Corem and we extended a bond in the consulting company AFRY.

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 interest rate setting on our Swedish floating-rate bonds, was basically unchanged at 4.1 per cent.

We maintained the fund's structure, where both the credit duration, the average duration of all fund holdings, and the interest duration, measured as the average fixed interest period, were basically unchanged during the period. 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 rates, is currently just over 6 per cent after fees.

## The fund's return\*

- 1 month
- 1 year



Performance (%)	Fund	Index <sup>1</sup>
February 2024	0.7	0.0
YTD 2024	2.1	0.2
1 year	7.1	5.5
3 years	8.3	2.5
Since launch (02/18/20)	11.3	3.7
Average 24 months	3.9	1.6
2023 <sup>2</sup>	7.7	6.2
2022 <sup>2</sup>	-3.0	-3.9
2021 <sup>2</sup>	2.6	0.1
2020 <sup>2</sup>	1.8 <sup>3</sup>	1.3 <sup>3</sup>

<sup>1</sup> Before 06/01/20 the benchmark of the fund was Nasdaq OMX Credit SEK TR Index.

<sup>2</sup> The performance is based on closing prices.

<sup>3</sup> Refers to the period 02/18/20 - 12/31/20.

\* Net of fees

Jan	Feb	Mar	Apr	May	Jun
1.4	0.7	-	-	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

## Largest holdings

Holding	Share of the fund (%)
DNB Bank	3.6
Castellum	3.4
European Energy	3.3
SEB	3.3
Storebrand Livsforsikring	3.2
Tryg Forsikring	3.1
Mowi	2.9
Corem Property Group	2.8
Terveystalo	2.7
Fiskars	2.6
<b>Total ten largest issuers</b>	<b>30.9</b>
Cash	7.4
Total number of issuers	57

## Main changes

Bought	Sold
AFRY	-
Arwidsro	-
Corem	-

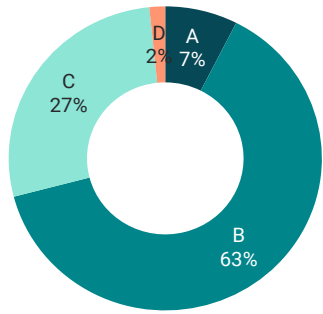
## Sector allocation

Sector	Share of the fund (%)
Real estate	22.4
Financials	20.0
Industrials	14.7
Energy	7.9
Material	6.1
Consumer staples	5.2
Consumer discretionary	5.1
Healthcare	4.2
Information technology	3.6
Communication services	2.7

## 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.



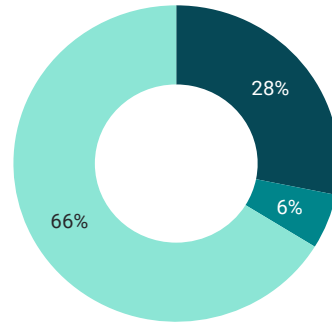
Share of the fund (%)

■ A	7
■ B	63
■ C	27
■ D	2
■ 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	28
■ Committed SBT	6
■ No SBT	66

### 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	41
Men	59

## Financial ratios

	Fund	Index
Total risk (%)	3,1	2,3
Interest-rate duration (years)	0,6	
Credit duration (years)	2,5	
Portfolio turnover ratio	0,2	

## Credit rating distribution

	Credit rating	% of the fund
Investment grade	AAA	0.4
	AA+/AA/AA-	-0.1
	A+/A/A-	6.2
	BBB+/BBB/BBB-	41.8
High yield	BB+/BB/BB-	41.9
	B+/B/B-	2.4
	CCC/CC/C	0.0
Default	D	0.0
Cash		7.4
<b>Total official credit rating</b>		<b>40.3</b>

## Country allocation



Country	% of the fund
Sweden	47.7
Norway	25.3
Finland	9.9
Denmark	7.8
Luxembourg	1.5
Other	0.3

## Fund facts

Fund managers	Karin Haraldsson & Katarina Carlsson
Launch date	02/18/20
NAV per unit	SEK 111.31
Fund size	SEKm 666
Management Fee	0.5%
Ongoing charges*	0.8%
ISIN	SE0013646866
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300VD1CKLHX5LM106

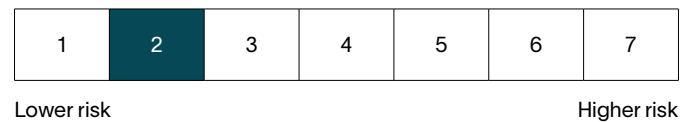
\* Ongoing costs consist of management fees and other administrative or operating costs (an estimate based on actual costs over the past year) and transaction costs (an estimate of costs incurred when a fund buys and sells securities).

## Maturity profile

	% of the fund
< 1 år	9
1-3 år	49
3-5 år	34
> 5 år	1

The maturity profile of the fund excludes cash.

## Risk indicator



## Explanations\*

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### Benchmark

Solactive SEK IG Credit 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.

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### Interest-rate duration

Weighted average life.

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### Credit duration

Weighted average maturity.

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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](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.

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### Green bond

A bond where the capital is being used exclusively for environmental projects and certified by a third party.

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### Total risk

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