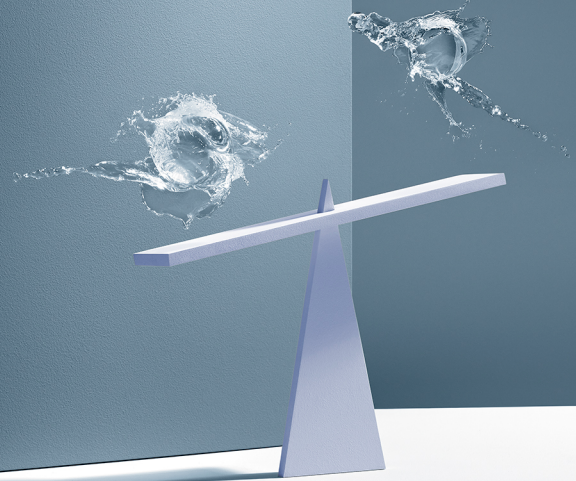


Monthly report March 2024

# 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.



## Credit market strong right up to Easter

### Iloq - a new holding



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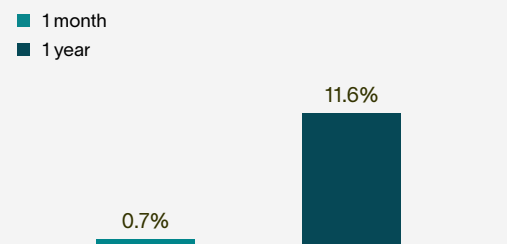
Katarina Carlsson  
[katarina.carlsson@lannebo.se](mailto:katarina.carlsson@lannebo.se)

The fund continued on the same path and again performed strongly during March. There was continued high activity on the primary market and we participated in several new issues, including Finnish Iloq, Swedish sanolium and Norwegian Ocean Yield. Iloq is a Finnish company focused on digital locks. The company issued a 5-year bond with a coupon of approximately 8 per cent. Sanolium, a long-standing holding, redeemed its old bonds and issued a new one – also with a five-year term and an 8 per cent coupon. Sanolium provides healthcare IT solutions to most of Sweden's regions. We also invested in a subordinated bond issued by the shipping company Ocean Yield, which is a previous holding. The Swedish debt collection company Intrum announced during the month that it had hired external advisers to review its balance sheet, which caused both the stock and bonds to fall in value. The company has had a tough time with growing debt and they are finding it difficult to deliver on their debt targets. We held just over 1 per cent Intrum in the fund; the bonds recovered at the end of the month and we took the opportunity to sell part of the holding.

We sold bonds in Sweden's Swedavia and Finland's Fiskars, both of which have traded strongly since they were issued, but where the expected return has become too low for the fund.

Inflation continues to fall back and we have seen the last rate hike. As expected, the Riksbank left its policy rate unchanged at 4.0 per cent during the month; and the interest rate path was lowered a little more than expected. If inflation comes in as expected, the interest rate will likely be lowered in May or June. The interest rate on a Swedish 5-year government bond fell during the month. The 2-year interest rates are still higher than the 5-year rates, but the difference has narrowed. The Stibor 3-month rate, which is the basis for interest rate setting on our Swedish floating-rate bonds, was basically unchanged at around 4.0 per cent.

### The fund's return\*



Performance (%)	Fund	Index <sup>1</sup>
March 2024	0.7	1.1
YTD 2024	3.1	3.8
1 year	11.6	9.7
3 years	15.7	0.0
5 years	18.2	0.0
Since launch (01/30/15)	37.1	0.0
Average 24 months	6.3	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	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 year. This is a consequence of our investment in new bonds with a slightly longer term, where some have a fixed interest rate. We hedge all foreign currency exposure to the Swedish kronor.

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

## Largest holdings

Holding	Share of the fund (%)
Nordea Bank	3.9
DNB Bank	3.4
Svenska Handelsbanken	3.0
Corem Property Group	2.8
Storskogen Group	2.8
Ocean Yield	2.7
European Energy	2.6
NP3 Fastigheter	2.3
Cibus Nordic	2.2
Balder	2.2
<b>Total ten largest issuers</b>	<b>27.9</b>
Cash	14.0
Total number of issuers	67

## Main changes

Bought	Sold
Iloq	Fiskars
Ocean Yield	Swedavia
Sanolium	Intrum

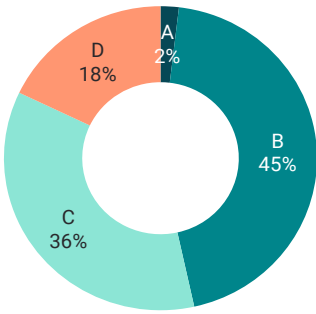
## Sector allocation

Sector	Share of the fund (%)
Industrials	29.6
Financials	19.8
Real estate	18.6
Consumer discretionary	4.8
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.



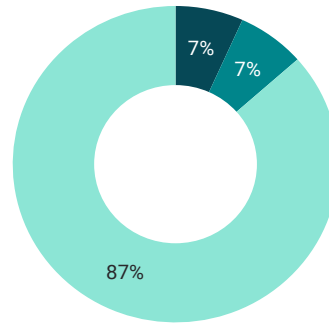
Share of the fund (%)

■ A	2
■ B	45
■ C	36
■ D	18
■ 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

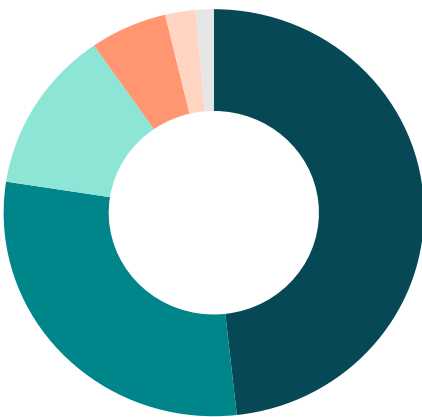
## Financial ratios

	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-	-0.3
	A+/A/A-	0.0
	BBB+/BBB/BBB-	16.7
High yield	BB+/BB/BB-	37.2
	B+/B/B-	32.4
	CCC/CC/C	0.0
Default	D	0.0
Cash		14.0
<b>Total official credit rating</b>		<b>30.8</b>

## Country allocation



Country	% of the fund
Sweden	41.5
Norway	25.1
Finland	11.1
Denmark	5.1
Germany	2
Other	1.2

## Fund facts

Fund managers	Karin Haraldsson & Katarina Carlsson
Launch date	01/30/15
NAV per unit	SEK 137.12
Fund size	SEKm 1,947
Management Fee	0.9%
Ongoing costs*	1.3%
ISIN	SE0006421855
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300XRFONRDKE3IM10

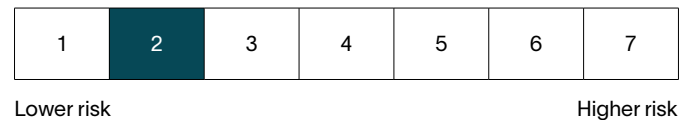
\* Ongoing costs consist of management fees and other administrative or operating costs (an estimate based on actual costs over the past year) and transaction costs (an estimate of costs incurred when a fund buys and sells securities).

## Maturity profile

	% of the fund
< 1 år	5
1-3 år	45
3-5 år	31
> 5 år	5

The maturity profile of the fund excludes cash.

## Risk indicator



## 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.