

# Lannebo Sverige Hållbar

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.



## The stock market went up as concerns over the economy eased

### Vestas – a new holding



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Stock markets globally continued to perform strongly in March. Of the Nordic exchanges, the largest increase was noted in Denmark, followed by Sweden, while the Finnish market saw the smallest gains. Small caps outperformed large caps, which was a change in trend compared to the beginning of the year.

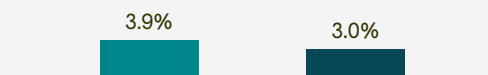
Globally, stock markets have trended positively since the reversal last fall, where March was the fifth consecutive month of gains - which is an unusually long period. The main driver is likely US economic growth that remains high, which is in sharp contrast to assessments made a year ago. At that time, there was a clear perception that a recession was inevitable due to the high inflation and higher interest rates that would reduce households' purchasing power. But, instead, GDP has continued to grow at an annual rate of around three per cent. Continued growth in turn means rising corporate profits, which over time drives share prices.

The silver lining, however, is that share prices have risen significantly - more than companies' profits, which has pushed market valuations above the historical average. This applies first and foremost in the US, but also on the Nordic stock markets. All else being equal, it is more difficult to find attractively valued companies, which increases the risk of setbacks - at least short term.

The Q4 earnings season can now be summed up, which was relatively devoid of company news. Banks exhibited record profits and there was a marked improvement in property companies' abilities to finance themselves at attractive interest rates, while signals from cyclical industries were mixed. Forest companies have had a tough time, but forest product prices are now on the rise across the board, which has pushed share prices in the sector up. Industrial company profits have gone in the other direction - deteriorating from record high levels as a result of, first and foremost, the weak European economy. The question

### The fund's return\*

- 1 month
- 1 year



Performance (%)	Fund <sup>1</sup>	Index <sup>2</sup>
March 2024	3.9	5.7
YTD 2024	5.1	7.9
1 year	3.0	18.3
3 years	-0.1	21.1
5 years	52.0	89.5
10 years	136.3	199.7
Since launch (10/01/10)	244.6	337.2
Average 24 months	-0.7	7.4
2023 <sup>3</sup>	1.4	19.2
2022 <sup>3</sup>	-20.5	-22.8
2021 <sup>3</sup>	23.0	39.3
2020 <sup>3</sup>	24.1	14.8
2019 <sup>3</sup>	34.2	35.0

<sup>1</sup> Performance of the fund before 20/12/18 is based on Lannebo Utdelningsfond.

<sup>2</sup> Before 10/12/18 the benchmark of the fund was SIX Return Index.

<sup>3</sup> The performance is based on closing prices.

\*Net of fees

Jan	Feb	Mar	Apr	May	Jun
-2.6	3.9	3.9	-	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

is how much profits will decrease this year. So far, it appears the decline will be mild.

The stock market has increased despite the fact that expectations for US rate cuts have been significantly adjusted to fewer decreases that are later in time compared to what the market believed last autumn.

The interest rate is now expected to be cut "only" two or three times in 2024, with the first rate cut this summer. However, the question now is whether there will even be that many interest rate decreases given inflation has accelerated in recent months and remains well above the central bank's inflation target.

The wind turbine manufacturer, Vestas, is a new holding. The company has gone through a blood bath where contracts entered into without inflation clauses, together with quality issues, have significantly impaired profitability. Our assessment is that this has been remedied and there is now good conditions for reaching historic profitability in this rapidly growing global market. We increased the holding in Nordea. The valuation of bank shares is generally attractive, where Nordea has recently developed unreasonably poorly relative to the sector. We also increased our holdings in Nibe after a large share price decline.

Biokraft was divested as a result of the majority shareholder submitted a buyout bid for the company. Biokraft has struggled to achieve profitability throughout its time on the stock exchange and, near term, profitability targets still looks tough to attain. We reduced the holdings in SKF and Bravida slightly after a strong price development in recent months.

## Largest holdings

Holding	Share of the fund (%)
AstraZeneca	5.6
Bravida Holding	5.3
Hexagon B	5.3
Nibe Industrier B	5.1
OX2	5.0
Inwido	4.7
Handelsbanken A	4.6
Investor B	4.6
Rejlers B	4.5
SCA B	4.3
Total ten largest holdings	49.0
Cash	4.8
Total number of holdings	27

## Main changes

Bought	Sold
Nordea	Biokraft
Vestas	SKF
Nibe	Bravida

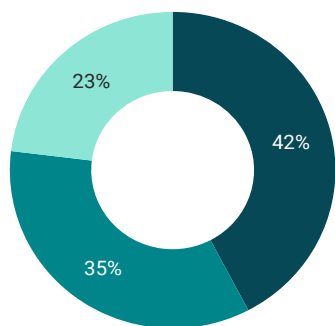
## Sector allocation

Sector	Share of the fund (%)
Industrials	43.1
Financials	16.4
Energy	8.7
Material	6.8
Healthcare	6.1
Consumer discretionary	5.7
Information technology	5.3
Real estate	3.0

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	21
■ B	71
■ C	8
■ D	0
■ E	0

### Nomination committees

Lannebo participate in nomination committees to contribute to competent boards with relevant experience for the companies.

Company

Balco

Inwido

OX2

Rejlers

### Voting

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

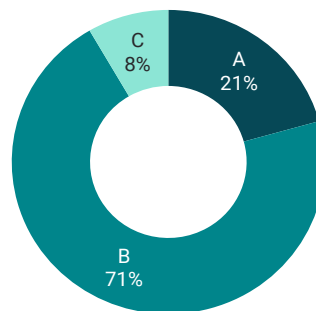
Share of the fund (%)

2024 YTD	22
2023	70
2022	57

### 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%



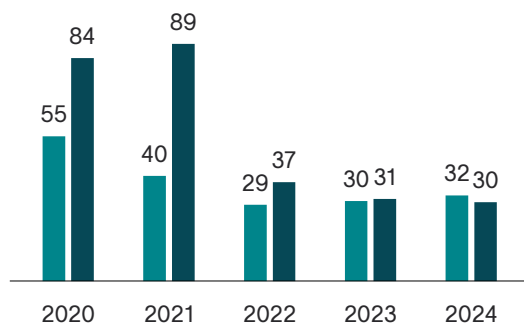
Share of the fund (%)

■ Validated SBT	42
■ Committed SBT	35
■ 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	36
Men	64

## Financial ratios

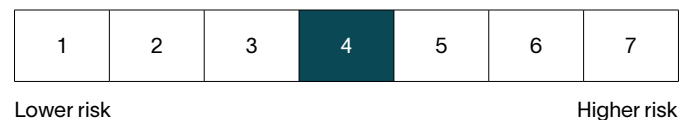
	Fund	Index
Sharpe ratio	0.0	0.4
Total risk (%)	21.9	20.6
Tracking error	8.2	
Information ratio	-1.0	
Alpha	-8.2	
Beta	1.0	
Portfolio turnover ratio	0.4	
Active share (%)	75	

## Fund facts

Fund managers	Charlotta Faxén & Peter Lagerlöf
Launch date	10/01/10
Launch date share class	12/20/18
NAV per unit	SEK 2 302.75
Fund size	SEKm 881
Management Fee	1.6%
Ongoing costs*	1.8%
ISIN	SE0011973684
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300Y41WZFFONEIE996

\* 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

SIX Portfolio 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.

### 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](https://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.