

Monthly report April 2024

Lannebo Småbolag EUR

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.

Rising US interest rates

Earnings season in full swing



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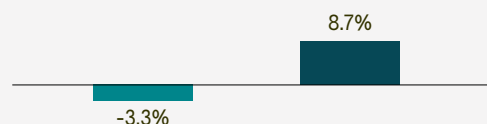
Quarterly earnings were in focus during the month, where the reports generally confirmed the picture that we are in a recession but that it does not appear to be deepening. Order intake for our industrial holdings reporting this figure was in most cases on par with, or just above, net sales. This indicates demand has stabilized and that customers in most industries have reached the end of their inventory adjustments. During the month, stock market performance was somewhat weaker, influenced by, among other things, rising interest rates in the US, where inflation seems to remain at a higher level than the Fed deems appropriate. As such, the market has basically reversed its view regarding US rate cuts. This is not evident in Sweden and it is still likely that we will see several rate cuts here this year.

Several holdings released strong quarterly earnings. Three of these were Mycronic, Nordnet and Addnode. Mycronic, which sells production equipment for the electronics industry, saw revenue grow 42 per cent organically and operating profit grow by approximately 230 per cent. The company is delivering on a rich order book within its highly profitable Pattern Generators segment, where it has a dominant market position globally. The savings platform Nordnet grew revenue and operating profit by 11 per cent. Compared to the same period last year, the number of customers increased by 10 per cent and the savings capital grew by 19 per cent. Given a relatively capital-light business model, Nordnet can both maintain good growth while also paying out significant dividends. The software company Addnode previously suffered from weaker demand for software to architects as a result of the weak construction market, but through acquisitions and implemented cost savings, the company managed to deliver revenue growth of 22 per cent and growth in operating profit of 25 per cent during the quarter.

Indutrade, Vaisala, and HMS Networks contributed negatively to performance. The industrial group Indutrade delivered an order intake

The fund's return*

- 1 month
- 1 year



Performance (%)	Fund
April 2024	- 3.3
YTD 2024	1.6
1 year	8.7
3 years	- 10.1
5 years	42.3
Since launch (08/04/00)	1 567.5
Average 24 months	0.5
2023 ¹	23.4
2022 ¹	-36.7
2021 ¹	27.2
2020 ¹	22.6
2019 ¹	36.3

¹ The performance is based on closing prices.

* Net of fees

Jan	Feb	Mar	Apr	May	Jun
-2.5	3.6	4.0	-3.3	-	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

that was a bit higher than net sales and a turnover that fell 6 per cent organically. However, operating profit decreased by 16 per cent because of falling volumes and under-absorption on the cost side. It should be pointed out that the comparative quarter was very strong, which together with certain delays at a large pharmaceutical customer that had a negative impact on the quarter. Finnish Vaisala, active in precision measuring instruments, issued a profit warning because of strikes in Finland that had a clear negative impact on sales during Q1, while at the same time the company also changed its ERP system that also impacted earnings negatively. Finally, HMS Networks benefited from a large inventory build-up at customers during 2021-2023 due to general delivery difficulties. This led to exceptionally strong numbers in the past that are now normalizing. Order intake fell 31 per cent and turnover 20 per cent, while operating profit fell 38 per cent. The company considers the order book level normal now. Our assessment is that the company has managed the exceptional situation well and has communicated in a clear way both when the figures were previously too good in relation to underlying demand and when they are now too weak in relation to the same.

Largest holdings

Holding	Share of the fund (%)
AddTech B	6.0
Beijer Ref B	5.7
Trelleborg B	5.5
Lagercrantz	5.2
Lifco B	5.2
Sagax B	4.9
AAK	4.9
Indutrade	4.3
Mycronic	4.2
Addnode Group B	3.8
Total ten largest holdings	49.7
Cash	2.6
Total number of holdings	35

Main changes

Bought	Sold
Avanza	AAK
HMS Networks	Nolato
Lindab	Balder

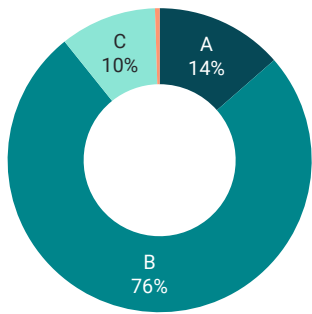
Sector allocation

Sector	Share of the fund (%)
Industrials	47.0
Information technology	22.7
Real estate	13.4
Consumer staples	8.0
Financials	3.2
Healthcare	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	14
■ B	76
■ C	10
■ D	0
■ 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

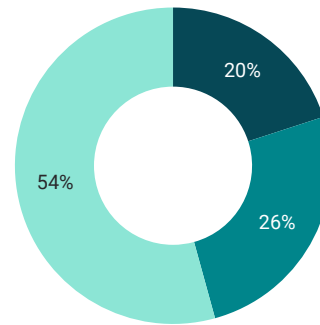
Share of the fund where Lannebo has voted at the general meeting.

	Share of the fund (%)
2024 YTD	27
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%

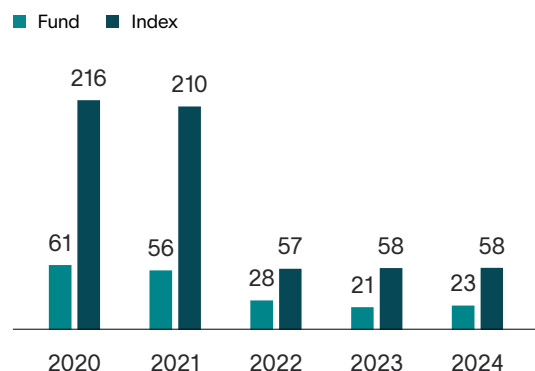


Share of the fund (%)

■ Validated SBT	20
■ Committed SBT	26
■ 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	34
Men	66

Financial ratios

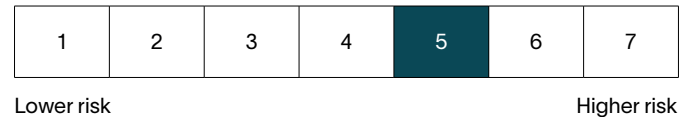
	Fund	Index
Sharpe ratio	0.0	-0.2
Total risk (%)	30.6	28.6
Tracking error	6.5	
Information ratio	0.8	
Alpha	5.7	
Beta	1	
Portfolio turnover ratio	0.2	
Active share (%)	68	

Fund facts

Fund managers	Per Trygg & Hjalmar Ek
Launch date	08/04/00
NAV per unit	EUR 186,75
Fund size	EURm 2,515
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.