

Monthly report May 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.



Active primary market

Several new holdings



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May was once again a strong month on the Nordic credit market and the fund continued to go higher. There was still lots of activity on the primary market and we participated in several issues. We participated in an issue from the Swedish pharmaceutical company Sobi, which made a comeback on the bond market. Sobi develops medicines and therapies for rare diseases such as hematology and immunology. They issued a bond with a five-year term and a coupon of just over 5.5 per cent.

We divested our holding in Link, which has delivered a good development; but, now the yield on the bond is low, so we chose to make room for other holdings.

Unsurprisingly, the Riksbank lowered its policy rate by 0.25 percentage points to 3.75 per cent at their meeting in May, and the interest rate path indicates additional rate cuts later this year. The interest rate on a Swedish 5-year government bond closed basically unchanged during the month at 2.5 per cent. It has risen by almost 0.6 per cent since bottoming out at the end of December. The 2-year interest rates are still higher than the 5-year interest rates, even if the difference has narrowed. Stibor 3 months, which is the basis for the interest rate setting on our Swedish floating rate bonds, fell from 3.9 to 3.75 per cent during the month because of the rate cut.

The fund's structure was maintained. Both the credit duration, the average duration of all holdings in the fund, and the interest duration, measured as the average fixed interest period, increased slightly during the period. We hedge all currency exposure to the Swedish Kronor.

Even if both credit spreads and short-term interest rates come down somewhat, returns on corporate bonds are still historically high. Given

The fund's return*

- 1 month
- 1 year



Performance (%)	Fund	Index ¹
May 2024	0.7	0.6
YTD 2024	4.4	1.6
1 year	8.5	5.9
3 years	10.0	3.9
Since launch (02/18/20)	13.8	5.2
Average 24 months	5.7	3.6
2023 ²	7.7	6.2
2022 ²	-3.0	-3.9
2021 ²	2.6	0.1
2020 ²	1.8 ³	1.3 ³

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

² The performance is based on closing prices.

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

* Net of fees

Jan	Feb	Mar	Apr	May	Jun
1.4	0.7	0.8	0.7	0.7	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

unchanged interest rates, the running yield is currently just over 5.5 per cent after fees.

Largest holdings

Holding	Share of the fund (%)
Cibus Nordic	3.6
Corem Property Group	3.2
Storebrand Livsforsikring	3.0
Tryg Forsikring	3.0
Castellum	2.9
SEB	2.9
Mowi	2.7
Terveystalo	2.5
Balder	2.5
Fiskars	2.5
Total ten largest issuers	28.8
Cash	8.8
Total number of issuers	59

Main changes

Bought	Sold
Sobi	Link
Elopak	-
-	-

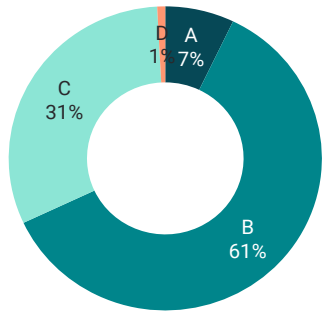
Sector allocation

Sector	Share of the fund (%)
Real estate	22.1
Financials	20.0
Industrials	15.0
Energy	6.4
Consumer staples	6.1
Healthcare	6.0
Material	6.0
Consumer discretionary	5.3
Information technology	2.5
Communication services	1.4

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.



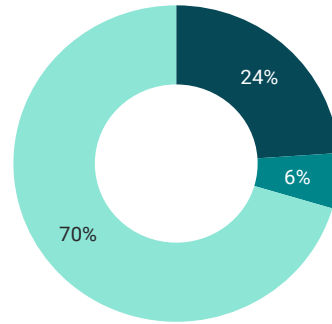
Share of the fund (%)

■ A	7
■ B	61
■ C	31
■ D	1
■ 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	24
■ Committed SBT	6
■ No SBT	70

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	43
Men	57

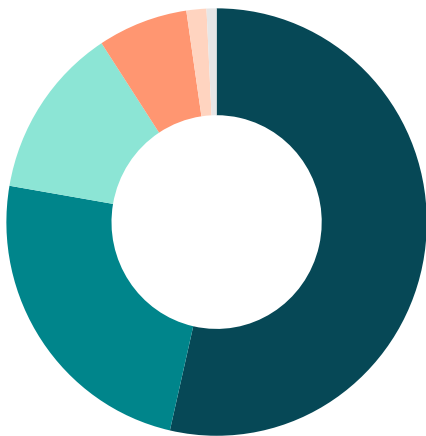
Financial ratios

	Fund	Index
Total risk (%)	2.9	2.0
Interest-rate duration (years)	0.5	
Credit duration (years)	2.5	
Portfolio turnover ratio	0.3	

Credit rating distribution

	Credit rating	% of the fund
Investment grade	AAA	0.3
	AA+/AA/AA-	0.0
	A+/A/A-	5.9
	BBB+/BBB/BBB-	42.1
High yield	BB+/BB/BB-	38.9
	B+/B/B-	4.3
	CCC/CC/C	0.0
Default	D	0.0
Cash		8.8
Total official credit rating		39.8

Country allocation



Country	% of the fund
Sweden	48.8
Norway	22
Finland	11.9
Denmark	6.3
Luxembourg	1.4
Other	0.7

Fund facts

Fund managers	Karin Haraldsson & Katarina Carlsson
Launch date	02/18/20
NAV per unit	SEK 113.83
Fund size	SEKm 717
Management Fee	0.5%
Ongoing charges*	0.8%
ISIN	SE0013646866
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300VD1CKLHX5LM106

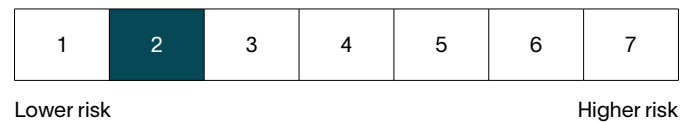
* Ongoing costs consist of management fees and other administrative or operating costs (an estimate based on actual costs over the past year) and transaction costs (an estimate of costs incurred when a fund buys and sells securities).

Maturity profile

	% of the fund
< 1 år	6
1-3 år	47
3-5 år	37
> 5 år	1

The maturity profile of the fund excludes cash.

Risk indicator



Explanations*

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.

Interest-rate duration

Weighted average life.

Credit duration

Weighted average maturity.

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.

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.

Green bond

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

Total risk

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