

Monthly report June 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



Karin Haraldsson
karin.haraldsson@lannebo.se



Katarina Carlsson
katarina.carlsson@lannebo.se

June was another strong month on the Nordic credit market and the fund continued to rise. The high activity on the primary market remained and we participated in several new issues, including a green bond issued by the Swedish property company Emilshus. The company acquires, develops, and manages high-yield properties in southern Sweden with a particular focus on Småland. Emilshus issued a 3-year bond with a coupon rate of Stibor 3 months + 3.1 per cent, which currently means just under 7 per cent. We also participated in a green bond issued by the Swedish property company Bonnier Fastigheter. The company is owned by the Bonnier family and owns both commercial and residential real estate, in addition to indirect investments through real estate companies, such as Trecore. Bonnier Fastigheter issued a green bond with a coupon rate of Stibor 3 months + 1.8 per cent, which currently means a coupon of approximately 5.5 per cent.

As expected, the Riksbank left its policy rate unchanged at their June meeting after lowering it by 0.25 percentage points to 3.75 per cent at their May meeting. The interest rate path indicates a couple of further cuts later this year. The interest rate on a Swedish 5-year government bond fell during the period from 2.5 per cent to 2.2 per cent. Stibor 3 months, which is the basis for the interest rate setting on our Swedish floating rate bonds, remained essentially unchanged and closed the month at 3.7 per cent.

We maintained the fund's structure; both the credit duration, the average maturity of all holdings in the fund, and the interest duration, measured as the average fixed interest period, were basically unchanged during the period. We hedge all foreign currency exposure to the Swedish kronor.

Even if credit spreads and short-term interest rates come down somewhat, corporate bonds yield historically high returns. Given unchanged market conditions, the fund's running yield is currently around 5.5 per cent after fees.

The fund's return*

- 1 month
- 1 year



Performance (%)	Fund	Index ¹
June 2024	0.6	0.8
YTD 2024	5.0	2.4
1 year	8.7	6.8
3 years	10.4	4.6
Since launch (02/18/20)	14.5	6.0
Average 24 months	7.0	4.6
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	0.6
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

Largest holdings

Holding	Share of the fund (%)
Cibus Nordic	3.2
Corem Property Group	2.9
Storebrand Livsforsikring	2.7
Tryg Forsikring	2.7
Castellum	2.7
SEB	2.6
Mowi	2.5
Balder	2.3
Fiskars	2.3
Bonnier Fastigheter	2.3
Total ten largest issuers	26.2
Cash	11.4
Total number of issuers	61

Main changes

Bought	Sold
Bonnier fastigheter	-
Capman	-
Emilshus	-

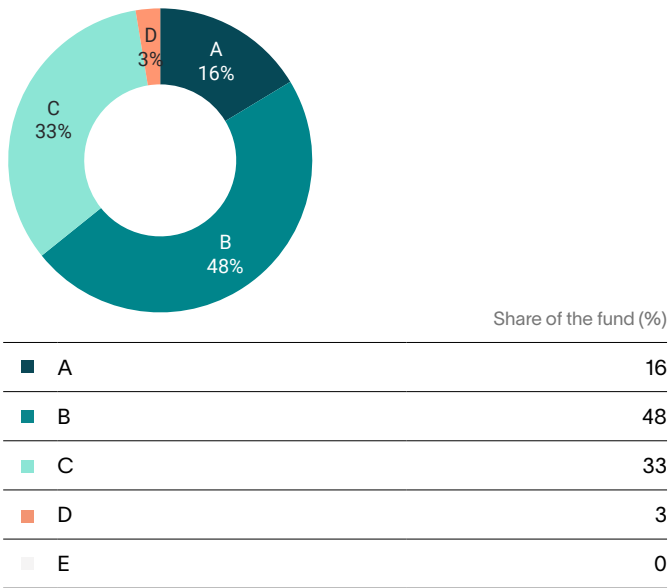
Sector allocation

Sector	Share of the fund (%)
Real estate	24.4
Financials	19.1
Industrials	14.8
Energy	5.7
Consumer staples	5.5
Material	5.4
Healthcare	5.1
Consumer discretionary	4.7
Information technology	2.2
Communication services	1.3

We work actively to take advantage of business opportunities and avoid risks related to the environment, social sustainability and corporate governance.

Sustainability grade

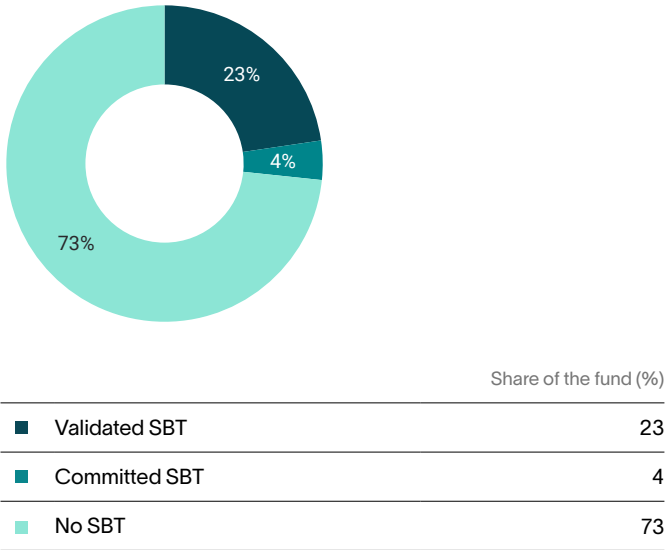
Lannebo’s sustainability analysis identifies and grades the portfolio holdings’ management of sustainability risks, environmental impact, and sustainability in the business model. A is the highest grade and E the lowest.



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%



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	42
Men	57

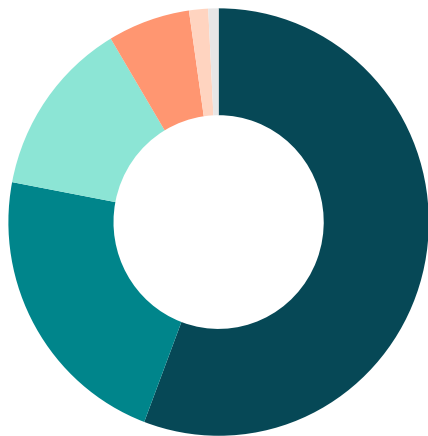
Financial ratios

	Fund	Index
Total risk (%)	2.3	1.7
Interest-rate duration (years)	0.6	
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-	5.3
	BBB+/BBB/BBB-	41.0
High yield	BB+/BB/BB-	38.3
	B+/B/B-	3.9
	CCC/CC/C	0.0
Default	D	0.0
Cash		11.4
Total official credit rating		37.0

Country allocation



Country	% of the fund
Sweden	49.4
Norway	19.7
Finland	11.9
Denmark	5.6
Luxembourg	1.3
Other	0.7

Fund facts

Fund managers	Karin Haraldsson & Katarina Carlsson
Launch date	02/18/20
NAV per unit	SEK 114,48
Fund size	SEKm 796
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	7
1-3 år	41
3-5 år	38
> 5 år	2

The maturity profile of the fund excludes cash.

Risk indicator

1	2	3	4	5	6	7
Lower risk						Higher risk

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.

* All financial ratios are calculated according to guidelines of the Swedish Investment Fund Association.