

# 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.



## May offered a strong stock market

### Bid for OX2



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Equity markets globally were generally higher during May and the technology-heavy Nasdaq increased by as much as 6 per cent. The Stockholm Stock Exchange rose by 4 per cent and we seemingly had a trend break given small caps increased more than the stock market as a whole with the small cap index increasing by 6 per cent.

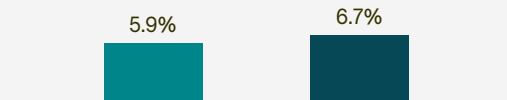
The month of May also marked the end of the Q1 earnings season, and we can sum up the reports by concluding results were roughly as expected. We also noted that several companies believe the loss of demand has bottomed out and that the too high inventories built up during 2023 at many customers are starting to come down to more normal levels. Companies now expect demand to increase in the second half of the year.

The Riksbank delivered the much-awaited interest rate cut at their meeting on the 8th of May; the key rate was cut by 25 basis points to 3.75 per cent. This was done as a result of the slowed inflation rate that is now around the desired 2 per cent mark. The rate cut was expected and had no effect on the stock market. However, we believe that the reduction may have a symbolic value for many consumers and others planning larger investments, and, as such, the rate cut marks the end of rising investment costs.

In last month's newsletter, we wrote about OX2 given the poor share price development during the year, but that we believed in the company longer-term. We were not alone in our assessment because on May 13 the private equity company EQT announced that one of their infrastructure funds intends to bid for the entire company. The bid was SEK 60 per share and meant a bid premium of just over 40 per cent. In the same week the bid was announced, we were given the opportunity to sell our shares at the bid price. We took the opportunity given we saw a risk, in part, that the bid could fail and, in part, that the bid period would extend to October. Simply, we did not want to lock

### The fund's return\*

- 1 month
- 1 year



Performance (%)	Fund <sup>1</sup>	Index <sup>2</sup>
May 2024	5.9	3.8
YTD 2024	8.8	12.3
1 year	6.7	22.8
3 years	-0.6	18.5
5 years	56.2	97.5
10 years	131.7	195.1
Since launch (10/01/10)	256.8	355.1
Average 24 months	3.8	12.4
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	-2.2	5.9	-
Jul	Aug	Sep	Oct	Nov	Dec
-	-	-	-	-	-

up the fund's assets for such a long period. This is the second bid offer the fund has had in renewable energy over the course of six months. Just before Christmas 2023, the bid for Biokraft (formerly Scandinavian Biogas) was announced.

Assa Abloy is a new holding. We chose to invest in the company following the sale of our shares in OX2. Assa Abloy has a strong and dedicated sustainability work and is well on its way to achieving its ambitious 2025 goals. We look very positively on the fact that the company has set both short- and long-term goals. Since 2020, their climate goals have been validated by Science Based Target Initiative (SBTI). Operationally, we see that the company benefits from a recovery in the European construction market and that real estate companies' renovation needs have increased following the past few years of minimal investments in maintenance. We also increased the holding in the Danish wind turbine manufacturer Vestas Wind Systems and the appliance manufacturer Electrolux.

In addition to the above-mentioned sale in OX2, we reduced our holdings in the Finnish companies Metso and Harvia. Both shares have developed well this year and the companies have reported good interim earnings. According to the fund's rules, 10 per cent of fund's assets may be invested outside Sweden, so we reduced these holdings to make space for Danish Vestas.

## Largest holdings

Holding	Share of the fund (%)
AstraZeneca	5.8
Investor B	5.3
Nibe Industrier B	5.1
Inwido	5.0
Handelsbanken A	4.9
Rejlers B	4.9
Hexagon B	4.8
Swedbank A	4.8
Bravida Holding	4.7
SCA B	4.5
<b>Total ten largest holdings</b>	<b>49.8</b>
Cash	2.5
Total number of holdings	26

## Main changes

Bought	Sold
Assa Abloy	OX2
Vestas Wind Systems	Metso
Electrolux	Harvia

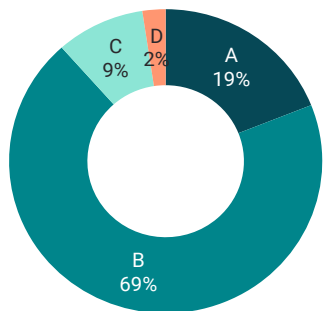
## Sector allocation

Sector	Share of the fund (%)
Industrials	47.4
Financials	18.8
Consumer discretionary	7.0
Material	6.8
Healthcare	5.8
Information technology	4.8
Energy	4.1
Real estate	2.7

## 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	19
■ B	69
■ C	9
■ D	2
■ 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.

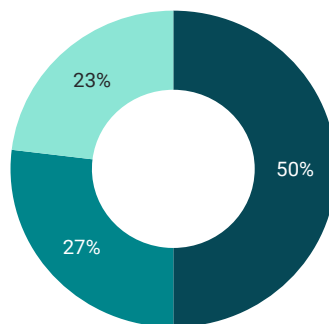
Share of the fund (%)

2024 YTD	90
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%



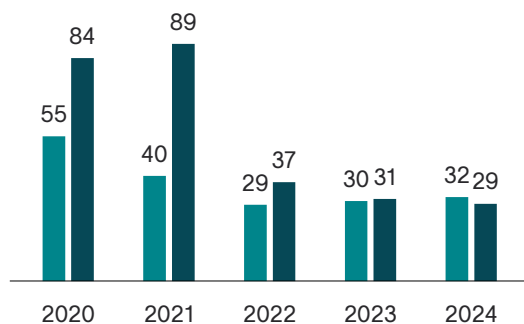
Share of the fund (%)

■ Validated SBT	50
■ Committed SBT	27
■ 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	37
Men	63

## Financial ratios

	Fund	Index
Sharpe ratio	0.2	0.6
Total risk (%)	22.1	20.4
Tracking error	8.5	
Information ratio	-1.0	
Alpha	-8.4	
Beta	1.0	
Portfolio turnover ratio	0.5	
Active share (%)	72	

## Fund facts

Fund managers	Charlotta Faxén & Peter Lagerlöf
Launch date	10/01/10
Launch date share class	12/20/18
NAV per unit	SEK 2 384.16
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

1	2	3	4	5	6	7
Lower risk				Higher risk		

## 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.