

Lannebo Småbolag

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.

An uneventful stock market month

NIBE - a new, but old holding



Per Trygg
per.trygg@lannebo.se



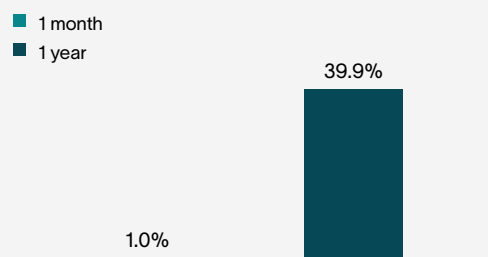
Hjalmar Ek
hjalmar.ek@lannebo.se

Company-specific news was relatively sparse in August given most companies had reported earnings during July. Media focus is now squarely on the November US presidential election, where the market impact of the election should not be exaggerated even if the election result might impact individual companies, such as electric car subsidies, risk of increased trade barriers, etc. During the month, concerns diminished that central banks would pursue a prolonged restrictive monetary policy and thereby cause a prolonged recession. In Sweden, the Riksbank lowered its policy rate to 3.5 per cent, which should continue to ease the pressure on consumers.

Troax was one of the few companies that reported earnings during the month. The company's safety solutions are mainly purchased in connection with factory investments, and given the weak economy, customers' willingness to invest is limited. This was reflected in the earnings report, where sales fell 4 per cent organically while operating profit fell 7 per cent.

We have once again invested in the heat pump company NIBE. Over a couple of years, the company had a very high valuation, which was the reason the holding was divested, driven by investors' search for companies that benefited from sustainability trends. However, higher interest rates led to a clear decrease in demand and a lower valuation. NIBE is currently pressured due to generally high inventories at distributors and resellers that assessed demand would continue to be strong, driven by political initiatives around the green transition (in this case from the transition of gas boilers to heat pumps). However, political measures have been slowed down or even delayed. Even though the industry, as such, is facing challenges at the moment, we do not believe the long-term drivers of demand have changed. What is even more important is that we judge that NIBE is still a well-managed company with a strong corporate culture, a good brand, and strong relations with the installers of the heat pumps. As the inventory situation in the value chain normalizes and housing construction

The fund's return*



Performance (%)	Fund	Index ¹
August 2024	1.0	0.7
YTD 2024	18.6	14.7
1 year	39.9	30.4
3 years	3.7	-6.3
5 years	74.8	72.9
10 years	268.7	268.9
Since launch (08/04/00)	2260.5	1553.1
Average 24 months	20.8	14.3
2023 ¹	22.2	14.7
2022 ¹	-31.2	-31.4
2021 ¹	29.5	37.1
2020 ¹	18.0	23.0
2019 ¹	40.4	43.2

¹ The performance is based on closing prices.

* Net of fees

Jan	Feb	Mar	Apr	May	Jun
-1.6	3.2	7.2	-1.5	5.7	-0.5
Jul	Aug	Sep	Oct	Nov	Dec
4.4	1.0	-	-	-	-

recovers, we believe that there are good conditions for NIBE to return to its growth journey, both organically and through complementary acquisitions.

Furthermore, the holdings in Fortnox and Avanza were increased marginally, while the holding in Balder was reduced.

Largest holdings

Holding	Share of the fund (%)
AddTech B	7,2
Lifco B	5,8
Beijer Ref B	5,6
Lagercrantz	5,4
AAK	4,9
Indutrade	4,7
Trelleborg B	4,4
Sagax B	4,3
Bufab	3,9
Mycronic	3,6
Total ten largest holdings	49,8
Cash	2,9
Total number of holdings	37

Main changes

Bought	Sold
NIBE Industrier	Balder
Fortnox	-
Avanza	-

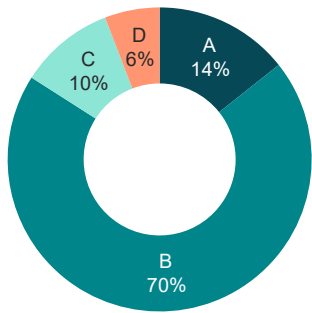
Sector allocation

Sector	Share of the fund (%)
Industrials	49,1
Information technology	19,8
Real estate	13,4
Consumer staples	7,5
Financials	4,1
Healthcare	3,2

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	70
■ C	10
■ D	6
■ 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

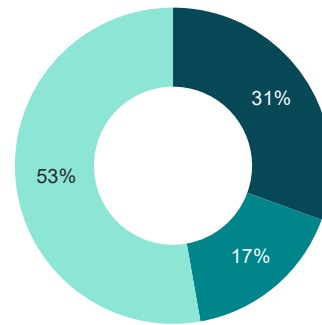
Share of the fund where Lannebo has voted at the general meeting.

	Share of the fund (%)
2024 YTD	82
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%

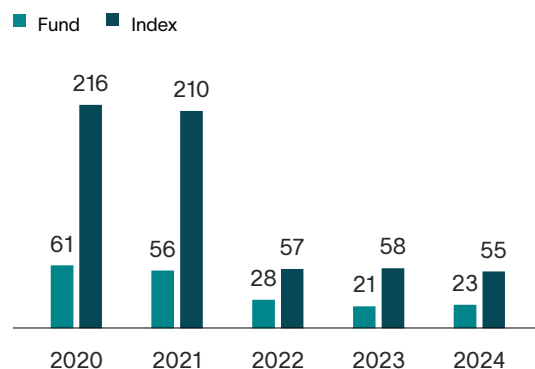


Share of the fund (%)

■ Validated SBT	31
■ Committed SBT	17
■ No SBT	53

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

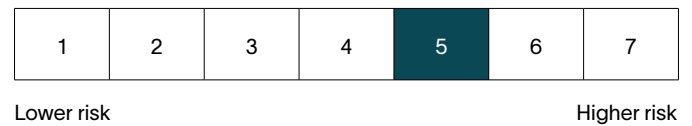
	Fund	Index
Sharpe ratio	1.1	0.8
Total risk (%)	19.4	18.8
Tracking error	6.2	
Information ratio	1.2	
Alpha	7.4	
Beta	1.0	
Portfolio turnover ratio	0.1	
Active share (%)	68	

Fund facts

Fund managers	Per Trygg & Hjalmar Ek
Launch date	08/04/00
NAV per unit	SEK 194.46
Fund size	SEKm 33,242
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.

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.

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.

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.

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.

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

Total risk

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

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.

Information ratio

A measure of riskadjusted return. This is measured as the active return divided by the portfolio's active 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.

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