

Monthly report August 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.



## The primary market springs back to life after the summer break

More rate cuts are expected in the autumn



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The fund continued on the same path, going strong during August as well. Towards the end of the month, activity on the primary market opened gradually for Swedish investment grade bonds. We invested in a bond issued by the Swedish real estate company Balder, which is a current holding.

As expected, the Riksbank lowered its policy rate by 0.25 percentage points to 3.50 per cent and indicated two to three additional cuts later this year. The Swedish 5-year government bond rate was unchanged at 1.9 per cent. Stibor 3 months, which is the basis for the interest rate on our Swedish floating rate bonds, fell to 3.3 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.

Credit spreads and short-term interest rates have decreased in recent months, resulting in a slightly lower running yield compared to previous levels. Given unchanged market conditions, the fund's annual running yield is currently around 5.2 per cent after fees.

### The fund's return\*

- 1 month
- 1 year



Performance (%)	Fund	Index <sup>1</sup>
August 2024	0.7	0.6
YTD 2024	6.4	3.9
1 year	9.0	7.4
3 years	11.4	5.7
Since launch (02/18/20)	16.0	7.5
Average 24 months	7.1	5.1
2023 <sup>2</sup>	7.7	6.2
2022 <sup>2</sup>	-3.0	-3.9
2021 <sup>2</sup>	2.6	0.1
2020 <sup>2</sup>	1.8 <sup>3</sup>	1.3 <sup>3</sup>

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

<sup>2</sup> The performance is based on closing prices.

<sup>3</sup> 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
0.7	0.7	-	-	-	-

## Largest holdings

Holding	Share of the fund (%)
Balder	3.6
Nordea Bank	3.3
Cibus Nordic	3.2
SEB	3.0
Corem Property Group	2.8
Castellum	2.7
Storebrand Livsforsikring	2.6
Tryg Forsikring	2.5
Mowi	2.4
Fiskars	2.3
<b>Total ten largest issuers</b>	<b>28.4</b>
Cash	8.9
Total number of issuers	63

## Main changes

Bought	Sold
Balder	-
-	-
-	-

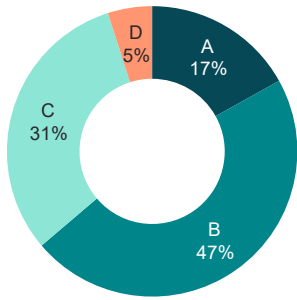
## Sector allocation

Sector	Share of the fund (%)
Real estate	25.5
Financials	19.7
Industrials	15.9
Energy	5.6
Consumer staples	5.3
Material	5.2
Healthcare	5.0
Consumer discretionary	4.7
Information technology	2.1
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.



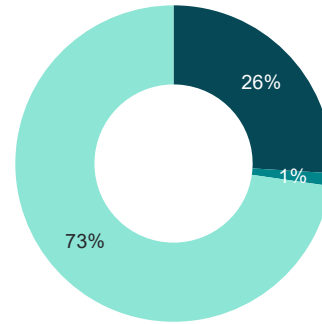
Share of the fund (%)

■ A	17
■ B	47
■ C	31
■ D	5
■ 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	26
■ Committed SBT	1
■ No SBT	73

### 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

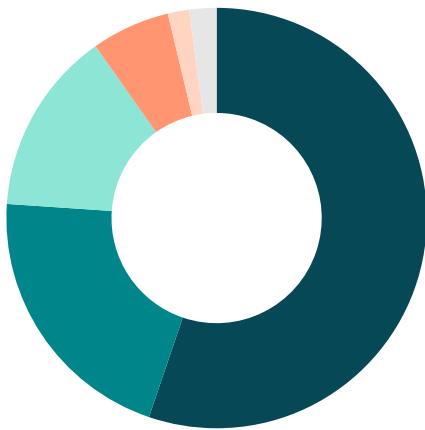
## Financial ratios

	Fund	Index
Total risk (%)	2.3	1.7
Interest-rate duration (years)	0.6	
Credit duration (years)	2.5	
Portfolio turnover ratio	0.2	

## Credit rating distribution

	Credit rating	% of the fund
Investment grade	AAA	0.3
	AA+/AA/AA-	0.0
	A+/A/A-	5.1
	BBB+/BBB/BBB-	42.6
High yield	BB+/BB/BB-	37.6
	B+/B/B-	5.3
	CCC/CC/C	0.0
Default	D	0.0
Cash		8.9
Total official credit rating		38.8

## Country allocation



Country	% of the fund
Sweden	50.3
Norway	19
Finland	12.9
Denmark	5.5
United Kingdom	1.5
Other	1.9

## Fund facts

Fund managers	Karin Haraldsson & Katarina Carlsson
Launch date	02/18/20
NAV per unit	SEK 116,04
Fund size	SEKm 814
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	9
1-3 år	41
3-5 år	42
> 5 år	0

The maturity profile of the fund excludes cash.

## Risk indicator

1	2	3	4	5	6	7	
Lower risk							Higher risk

## Explanations\*

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### 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.

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### Interest-rate duration

Weighted average life.

### Credit duration

Weighted average maturity.

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### 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).

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.

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### 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.