

# Lannebo Teknik

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.



## Is the AI hype over? Software companies overshadowed



Johan Nilke  
[johan.nilke@lannebo.se](mailto:johan.nilke@lannebo.se)



Helen Groth  
[helen.groth@lannebo.se](mailto:helen.groth@lannebo.se)

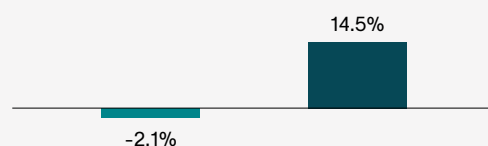
August was not a good month for equities - not least for technology shares. The large US technology companies that account for a significant percentage of this year's global market increases fell back. This was mainly due to fears that AI investments will slow down, due to speculations ahead of Nvidia's earnings report. Our assessment is that the attention Nvidia's earnings report garnered took on unreasonable proportions. Every media company livestreamed the release and the report was said to have more market significance than the US jobs report or the Fed's interest rate announcement. So expectations were undeniably high, not least visible when the stock fell back despite beating estimates on all accounts. With that said, a 7 per cent decline is, perhaps, not so shocking given the over 150 per cent increase during the year. If the market had truly been disappointed, we would likely have seen a much larger decline. What we saw as negative were the somewhat vague comments by CEO Jensen Huang when mentioning "Datacenters will grow quite significantly next year" and that "Blackwell will sell in the billions in the coming quarters", which creates uncertainty when he does not specify more clearly.

The Nvidia report overshadowed the positive earnings releases by a number of software companies. The reports indicated that demand is looking better, or at least looking more stable. Among other things, the fund's holdings in Salesforce and Veeva released positive earnings reports on the same day that all eyes were on Nvidia. Salesforce reported that the company had signed over 1,500 AI contracts and that orders for AI products had more than doubled.

The largest positive contributions to performance were made by a number of companies in data security. Fortinet increased 32 per cent and was the fund's largest positive contributor. Fortinet has been quite hard hit by the weaker macroeconomics, which has also lowered expectations in previous quarters. So, unsurprisingly, the share price reaction was substantial when the company reported better-than-

### The fund's return\*

- 1 month
- 1 year



Performance (%)	Fund	Index <sup>1</sup>
August 2024	-2.1	-2.7
YTD 2024	12.1	23.1
1 year	14.5	25.6
3 years	25.2	59.2
5 years	124.0	170.3
10 years	511.9	686.9
Since launch (08/04/00)	120.9	397.0
Average 24 months	16.8	30.5
2023 <sup>1</sup>	35.6	49.1
2022 <sup>1</sup>	-20.8	-21.7
2021 <sup>1</sup>	31.4	41.5
2020 <sup>1</sup>	29.5	23.0
2019 <sup>1</sup>	40.6	50.8

<sup>1</sup> The performance is based on closing prices.

\* Net of fees

Jan	Feb	Mar	Apr	May	Jun
7.4	1.4	3.8	-1.4	-3.5	7.4
Jul	Aug	Sep	Oct	Nov	Dec
-0.9	-2.1	-	-	-	-

expected earnings. What stood out was that even though we appear to be at the bottom of the cycle, the company delivered a better margin than expected and orders were up after being unchanged last quarter. Palo Alto was also up after the release of its earnings report, which was better than expected on both growth and margin, and the company increased share buybacks. Veeva, which we mentioned above, came in with a strong earnings report and was the fund's third largest positive contributor.

Alphabet, Amazon and Microchip made the biggest negative contributions during the month. On the one hand, many of the larger American technology companies were dragged down by the negative sentiment around AI and Nvidia. Alphabet, however, was also affected by the recent verdict over anti-competition violations, which could mean a split of the company. Amazon's earnings report was weaker than expected on both revenue and margin, causing the share to drop 10 per cent the day after the report. The positive in the report was, however, that cloud services within the AWS business area were better than expected both in terms of growth and margin, which is also the business area that is the primary profitability driver. Unfortunately, Microchip came up with an unexpectedly weak report that also contained a more negative forecast than expected. The company mentioned that weakness in the industrial and automotive sectors continued longer than expected and that they currently do not see when it will turn around.

During the month, we sold some IBM- and F-secure shares and at the same time increased our position in Intuit. IBM traded near an all-time high level while Intuit traded sideways despite a strong report.

## Largest holdings

Holding	Share of the fund (%)
Microsoft	8.3
Alphabet A	6.7
Palo Alto Networks	6.4
Amazon	5.7
Apple	4.9
Salesforce	4.6
Adobe	4.4
Mastercard	4.3
International Business Machine	4.3
Intuit	4.0
<b>Total ten largest holdings</b>	<b>53.6</b>
Cash	3.6
Total number of holdings	27

## Main changes

Bought	Sold
Intuit	IBM
-	F-secure
-	-

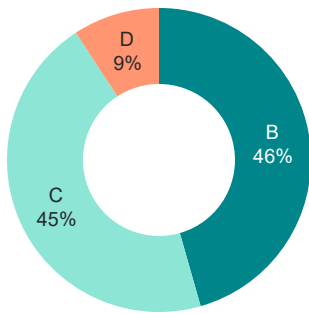
## Sector allocation

Sector	Share of the fund (%)
Information technology	80.2
Communication services	6.7
Consumer discretionary	5.7
Healthcare	3.8

## 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	0
■ B	46
■ C	45
■ D	9
■ E	0

### Voting

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

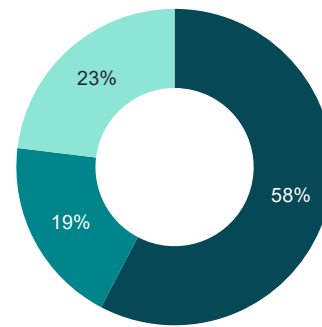
Share of the fund (%)

2024 YTD	2
2023	5
2022	15

### 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%



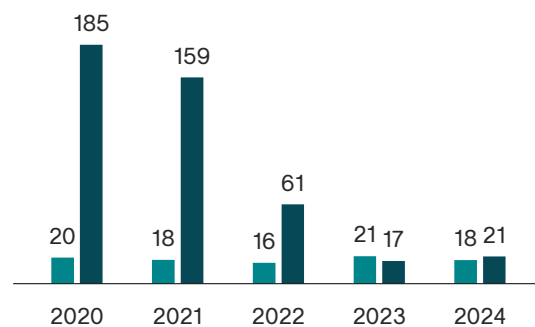
Share of the fund (%)

■ Validated SBT	58
■ Committed SBT	19
■ 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.

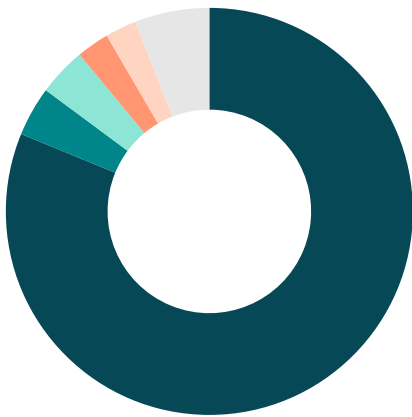
Share (%)

Women	34
Men	66

## Financial ratios

	Fund	Index
Sharpe ratio	1.0	1.5
Total risk (%)	18.6	21.1
Tracking error	5.0	
Information ratio	-2.7	
Alpha	-8.8	
Beta	0.9	
Portfolio turnover ratio	0.1	
Active share (%)	66	

## Country allocation



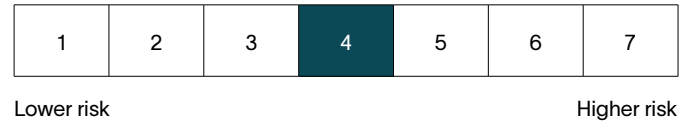
Country	Share of the fund (%)
United States	78.2
Netherlands	3.8
Japan	3.7
Guernsey	2.5
Spain	2.4
Other	5.7

## Fund facts

Fund managers	Johan Nilke & Helen Groth
Launch date	08/04/00
NAV per unit	SEK 20.81
Fund size	SEKm 9892
Management Fee	1.6%
Ongoing charges*	1.6%
ISIN	SE0000740672
Trading frequency	Daily
Minimum investment amount	SEK 100
Supervisory authority	Finansinspektionen
LEI	549300Y3UW5Y5DPJSO02

\* 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\*

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### 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.

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### 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.

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### Benchmark

MSCI World IT 10/40 Net Total Return Index\* calculated in SEK. 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.

\* Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and January not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. ([www.msci.com](http://www.msci.com))

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### 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.

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### 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

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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](http://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.

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### Information ratio

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

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### Total risk

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

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### 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.