

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.



Clear economic concerns

Several profit warnings among industrial companies



Per Trygg
per.trygg@lannebo.se

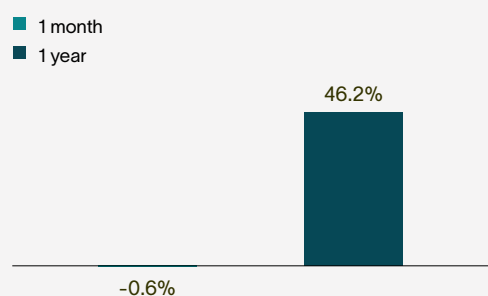


Hjalmar Ek
hjalmar.ek@lannebo.se

During the month, market concerns about the economic outlook increased. Several automakers issued profit warnings, and at the beginning of September, Volkswagen announced for the first time ever that it is considering closing some factories in Germany. Several contract manufacturers have also issued profit warnings, as well as several suppliers to different parts of the automotive industry. So far, none of the fund's holdings have issued profit warnings, but it is reasonable to expect that the economic recovery many had hoped for is being delayed and that the third-quarter reports are likely to be relatively bleak. At the same time, it is important to remember that stocks are forward-looking and that central banks across most regions are now cutting key interest rates to support the economy, which is expected to lead to increased economic activity over time. Currently, we do not see any signs of a severe recession.

Regarding company-specific news in the fund, activity was limited, but two of the fund's largest holdings made acquisitions. Addtech acquired the German company PGS Tec, which provides water and gas supply systems for various industries. Lifco completed several acquisitions during the month, starting with Polydentia in Switzerland, which sells dental consumables, followed by two companies in the Netherlands. GMT Equipment manufactures grapple saws used in forestry, while Ivium Technologies develops high-performance measuring equipment for research and development in batteries, solar cells, and fuel cells. Although these acquisitions have a limited direct impact on the respective companies, it is worth noting that both Lifco and Addtech are increasingly focusing their acquisitions in Europe, where investment opportunities are greater and competition from other buyers is often less. In our view, the limiting factor for these companies is not geographic, but rather personnel-related, as it is crucial to develop enough skilled employees internally who can support the group's companies and take over when potential generational shifts occur.

The fund's return*



Performance (%)	Fund	Index ¹
September 2024	-0.6	1.6
YTD 2024	18.4	16.5
1 year	46.2	37.8
3 years	13.3	3.9
5 years	71.1	74.1
10 years	277.3	284.8
Since launch (08/04/00)	2252.0	1580.3
Average 24 months	27.7	22.3
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	-0.6	-	-	-

We have increased holdings in several cyclical companies, including Hexpol and NCAB, which we believe are attractively valued in the long term, though the market has been more concerned about short-term headwinds from the economy. We also increased the holding in Lindab. At the same time, we slightly reduced the holdings in AAK and Balder, whose stocks have performed well due to the generally stable nature of their operations.

Largest holdings

Holding	Share of the fund (%)
Addtech AB	7.0
Lifco AB	5.9
Lagercrantz Group AB	5.7
Beijer Ref AB	5.5
AAK AB (PUBL)	5.0
Sagax AB	4.8
Indutrade AB	4.8
Trelleborg AB	4.3
Mycronic AB (publ)	3.9
Nyfosa AB	3.7
Total ten largest holdings	50.6

Main changes

Bought	Sold
Hexpol	AAK
NCAB	Balder
Lindab	-

Sector allocation

Sector	Share of the fund (%)
Industrials	43.4
Technology	15.1
Real Estate	14.6
Financials	10.4
Consumer non-cyclicals	8.0
Basic Materials	4.5
Health Care	3.8
Consumer cyclicals	0.2

Financial ratios

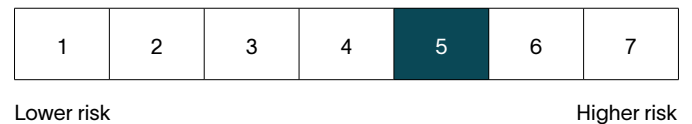
	Fund	Index
Sharpe ratio	1.7	1.4
Total risk (%)	17.3	16.5
Tracking error	6.4	
Alpha	6.5	
Beta	1.0	
Portfolio turnover ratio	0.1	
Active share (%)	68	

Fund facts

Fund managers	Per Trygg & Hjalmar Ek
Launch date	08/04/00
NAV per unit	SEK 193.76
Fund size	SEKm 32,501
Number of holdings	37
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.