

# 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.



## Strong finish for tech companies in September

### IBM and Salesforce leading the way



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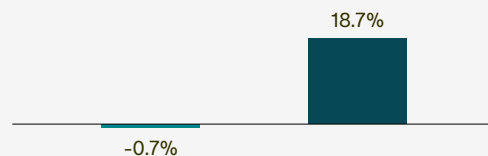
September is historically the worst month for stock markets, and 2024 was no exception as the market started the month weak with broad declines. The technology sector was no exception either, although the weak performance of tech stocks in August seemed to soften the September decline compared to the industrial and other sectors. However, the market climate quickly changed when the U.S. Federal Reserve decided to make a double rate cut during the month, which contributed to a more positive market sentiment. The Swedish Riksbank also cut rates, further brightening the market outlook. The Fed's 50 basis point cut left room for interpretation; the optimistic view was that inflation had been fought off effectively without crashing the economy, while the other view was that the rate cut was a sign that the economy is performing worse than expected, thus requiring a more aggressive rate cut. Concerns about a potential recession in the U.S. remain and were exacerbated by an unexpectedly weak PMI from the U.S. manufacturing sector at the beginning of the month. This has led to a tug-of-war between economic pessimists and interest rate optimists in the market.

We are now entering a new reporting season, where average earnings growth expectations are around 4.6 percent and sales growth expectations around 4.8 percent for companies within the S&P 500. This represents a decrease from the June quarter's expectations. For the technology sector, expectations are for 15.6 percent earnings growth and 11.8 percent revenue growth, which is approximately the same as in June. The P/E valuation multiple averages 21.6x for the S&P 500 and 29.2x for the technology sector, both significantly above the historical averages over the past 5 and 10 years and higher than in June.

The top positive contributors to the fund in September were IBM, Salesforce, and AMD. IBM made the largest contribution and is also up 35 percent year to date, trading near an all-time high. We

### The fund's return\*

- 1 month
- 1 year



Performance (%)	Fund	Index <sup>1</sup>
September 2024	-0.7	1.2
YTD 2024	11.8	24.1
1 year	18.7	36.7
3 years	29.8673	
5 years	118.1	169.1
10 years	487.5	675.0
Since launch (08/04/00)	119.5	568.3
Average 24 months	21.8	37.0
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	-0.7	-	-	-

continue to like IBM as a defensive holding, but with the potential for growing segments to impact the overall business. If we see a stronger consulting market, growth should accelerate. Despite this, we chose to take some profits during the month after the strong performance. Last month, we noted that software companies' reports were overshadowed by Nvidia and other semiconductor companies. One of the companies we mentioned was Salesforce, which presented a strong report at the end of August, showing that their AI products are gaining traction. This gave the stock positive momentum, which continued into September. The momentum was further reinforced when the company presented more detailed AI plans at its annual conference, Dreamforce.

The fund's largest negative contributors were Adobe, Palo Alto Networks, and ASML. Adobe delivered a very strong quarterly report but issued a Q4 forecast that fell well below market expectations, causing the stock to drop 9 percent in after-hours trading. This reaction seemed somewhat exaggerated, as there was nothing in the reported figures to justify such a significant downward revision, so we view the forecast as somewhat conservative. Regarding Palo Alto Networks, the security sector has experienced a more negative period in general, following the issues with the CrowdStrike bug and slightly weaker forecasts for upcoming quarters. ASML was dragged down during a generally weaker period for companies connected to AI, and concerns emerged that the demand for semiconductors may be overstated.

The fund's largest net purchase during the month was Fortinet, a company specializing in digital security solutions.

During the month, Lannebo Fonder merged with Öhman Fonder, and together we are now Lannebo Kapitalförvaltning. The funds continue to be managed in the same way as before, and we as portfolio managers work as usual, adhering to the same investment philosophy and process.

## Largest holdings

Holding	Share of the fund (%)
Microsoft Corp	9.0
Alphabet INC	6.9
Palo Alto Networks INC	6.2
Amazon.com INC	6.1
Apple INC	5.1
Salesforce.com INC	5.1
Mastercard INC	4.5
Adobe INC	4.1
International Business Machines Corp	4.1
Intuit INC	4.1
<b>Total ten largest holdings</b>	<b>55.2</b>

## Main changes

Bought	Sold
Fortinet	IBM
-	-
-	-

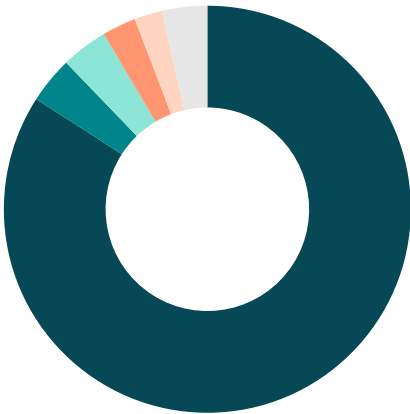
## Sector allocation

Sector	Share of the fund (%)
Technology	82
Consumer cyclicals	9.9
Health Care	3.8
Basic Materials	2.6
Energy	1.7

## Financial ratios

	Fund	Index
Sharpe ratio	1.3	1.9
Total risk (%)	17.6	20.5
Tracking error	5.6	
Alpha	-9.3	
Beta	0.8	
Portfolio turnover ratio	0.1	
Active share (%)	65	

## Country allocation



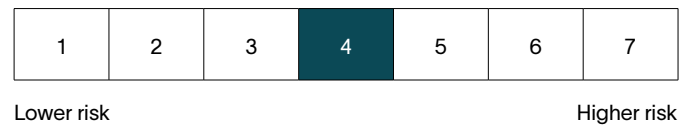
Country	Share of the fund (%)
United States	84.1
Netherlands	3.7
Japan	3.7
Spain	2.7
Germany	2.2
Other	3.6

## Fund facts

Fund managers	Johan Nilke & Helen Groth
Launch date	08/04/00
NAV per unit	SEK 20.68
Fund size	SEKm 9790
Number of holdings	27
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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### 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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### 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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### 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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### 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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### Total risk

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

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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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### 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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### 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.