

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.



Earnings Season Brings Significant Movements

AI in Focus



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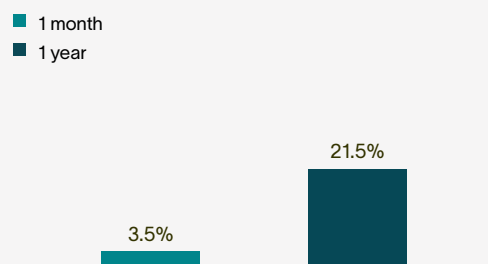
In October, the third-quarter earnings season kicked off, with several of the fund's holdings reporting their results. The outcomes have generally led to substantial stock price fluctuations; companies that failed to meet market expectations were penalized, while those that exceeded forecasts saw significant upward movement. The price volatility can largely be attributed to high pre-earnings valuations and elevated expectations. The broad U.S. index, S&P 500, is trading near all-time highs as of this writing, with major U.S. tech companies driving much of this trend. The market's attention is sharply focused on AI developments, and there is a clear demand for returns on the substantial AI investments these companies have made.

Among the fund's larger holdings, IBM, Microsoft, Alphabet, Amazon, and Apple reported their quarterly earnings. IBM's stock declined after its report showed revenue below expectations, although its software segment, a key market focus, grew by nearly 10 percent. This wasn't enough to drive a positive stock reaction, although IBM's share price has risen 26 percent year-to-date, having gained momentum in the lead-up to the earnings release.

Microsoft's earnings were also met with a cautious market response, primarily due to lower-than-expected growth projections in cloud services. Cloud growth was reported at 34 percent for the quarter and is expected to remain above 30 percent in upcoming quarters. Microsoft attributed some of the slowdowns to delays in getting data centers online to meet AI demand, an issue the company expects to resolve over the coming quarters.

Alphabet exceeded market expectations, largely due to robust growth in its cloud services, with all business segments contributing positively. There was also optimism around Alphabet's AI investments beginning to yield returns. In its quarterly report, the CEO highlighted

The fund's return*



Performance (%)	Fund	Index ¹
October 2024	3.5	4.3
YTD 2024	15.4	28.2
1 year	21.5	40.4
3 years	29.6	65.0
5 years	123.0	174.4
10 years	486.3	676.5
Since launch (08/04/00)	126.5	590.6
Average 24 months	20.4	34.3
2023 ¹	35.6	49.1
2022 ¹	-20.8	-21.7
2021 ¹	31.4	41.5
2020 ¹	29.5	23.0
2019 ¹	40.6	50.8

¹ 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	3.5	-	-

the company's use of AI to improve internal efficiencies, with over a quarter of Alphabet's new code now being generated by AI.

Amazon outperformed expectations, showing higher profitability, driven primarily by its cloud services, where operating margins increased by 2 percent year-over-year. The company typically sees its strongest quarter in Q4, with demand for its updated Kindle devices looking promising ahead of the shopping season.

Apple's report was received with slight skepticism, as results largely aligned with consensus. However, lower-than-expected growth in the Chinese market raised concerns about Apple's future prospects there.

The fund's top contributor in October was NVIDIA, bolstered by its exposure to data centers and AI. The largest negative impact came from ASML, a Dutch company whose stock dropped sharply after lowering its 2025 sales forecast, primarily due to customer delays in planned investments. To manage risk, we reduced our position in ASML slightly. While we remain confident in ASML's long-term prospects, we adjusted the position weight to account for heightened short-term risk.

We also trimmed our position in Palo Alto Networks for rebalancing purposes, as the holding had increased significantly in weight. Palo Alto has performed well and remains one of the fund's top contributors this month. We remain optimistic about the company's strong growth potential and earnings capacity over time.

Largest holdings

Holding	Share of the fund (%)
MICROSOFT CORP	8.9
ALPHABET INC	7.5
Palo Alto Networks Inc	6.6
Amazon.com Inc	6.4
Salesforce.Com Inc	5.7
Apple Inc	5.2
Mastercard Inc	4.8
FORTINET INC	4.2
Intuit Inc	4.2
NVIDIA CORP	4.1
Total ten largest holdings	57.6

Main changes

Bought	Sold
-	ASML
-	Palo Alto Networks
-	-

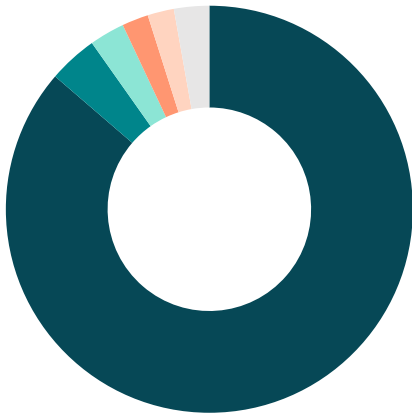
Sector allocation

Sector	Share of the fund (%)
Technology	81.6
Consumer cyclicals	10.3
Health Care	4.0
Energy	1.4
Other	2.7

Financial ratios

	Fund	Index
Sharpe ratio	1.2	1.8
Total risk (%)	17.4	20.3
Tracking error	5.6	
Alpha	-8.3	
Beta	0.8	
Portfolio turnover ratio	0.1	
Active share (%)	65	

Country allocation



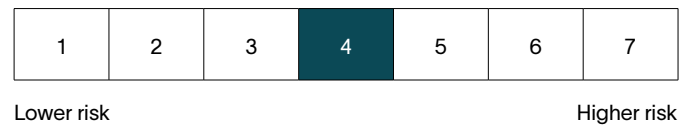
Country	Share of the fund (%)
United States	84,1
Netherlands	3,7
Japan	3,7
Spain	2,7
Germany	2,2
Other	3,6

Fund facts

Fund managers	Johan Nilke & Helen Groth
Launch date	08/04/00
NAV per unit	SEK 21.34
Fund size	SEKm 9996
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*

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.

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.

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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.

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

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.

Information ratio

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

Total risk

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

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.