

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.



Focus on politics during the month

Trade tariff concerns create uncertainty



Per Trygg
per.trygg@lannebo.se



Hjalmar Ek
hjalmar.ek@lannebo.se

The month was dominated by market focus on the results of the U.S. presidential election. Trump's victory has heightened geopolitical concerns in Europe and Asia, particularly regarding trade tariffs and uncertainty over the impact on the war in Ukraine and Europe's security policy. The primary effect of these developments has been a strong performance for the U.S. stock market, while European equities faced significantly greater challenges.

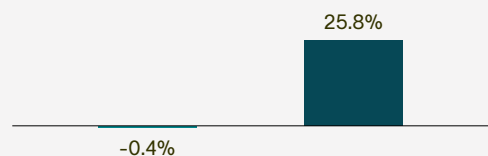
At the company level, November was a relatively quiet month as most companies had already presented their quarterly reports in October. However, NCAB and NIBE stood out as two firms reporting during November, both showing clear negative impacts from the broader economic environment, albeit in different ways.

NCAB, a supplier of printed circuit boards, reported an 8% organic decline in revenue and a drop in operating profit of over 30%. The company attributed weaker demand for its products to the sluggish German economy, which has spilled over into other European markets. Despite these challenges, NCAB has managed the controllable aspects of its operations effectively and is expected to be well-positioned when the economic cycle turns. The company also continues to pursue complementary acquisitions.

NIBE, best known for its heat pumps, has experienced weak demand for several quarters due to higher interest rates and delayed political incentives to encourage adoption of climate-friendly heating solutions. During the quarter, NIBE reported a 13% decline in revenue, while operating profit was cut in half. The heat pump sector is navigating a challenging period, but NIBE's established market position and strong corporate culture provide it with a solid foundation to emerge stronger when conditions improve. The CEO noted a gradual improvement in demand but acknowledged that the outlook remains difficult to assess.

The fund's return*

- 1 month
- 1 year



Performance (%)	Fund	Index ¹
November 2024	-0.4	-1.2
YTD 2024	12.6	9.1
1 year	25.8	19.6
3 years	-1.0	-11.5
5 years	51.7	52.2
10 years	235.9	238.7
Since launch (08/04/00)	2135.9	1473.2
Average 24 months	16.5	10.9
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	-4.4	-0.4	-

Additionally, Bufab, a supplier of small components such as screws and nuts to industrial customers, completed a significant acquisition during the month. Vital, a family-owned Italian company founded in 1975 and headquartered in Milan, boasts a well-diversified customer base, a history of profitable growth, and strong profitability. The founder's sons will continue to lead the company following Bufab's acquisition. This move demonstrates Bufab's commitment to strengthening its market position in a fragmented market through acquisitions of well-managed companies.

During the month, the fund increased its holdings in NIBE, Axfood, and Sagax, while reducing its positions in Sobi, Nolato, and CTT Systems.

Largest holdings

Holding	Share of the fund (%)
Addtech Ab	7.5
Lifco Ab	6.4
Lagercrantz Group Ab	6.4
Beijer Ref AB	6.0
Indutrade AB	4.7
Sagax Ab	4.6
Aak Ab	4.5
Trelleborg Ab	4.3
Bufab Ab (Publ)	4.2
Mycronic Ab (Publ)	4.1
Total ten largest holdings	52.7

Main changes

Bought	Sold
NIBE Industrier	Sobi
Axfood	Nolato
Sagax	CTT Systems

Sector allocation

Sector	Share of the fund (%)
Industrials	44.2
Technology	15.8
Real Estate	13.7
Financials	10.7
Consumer non-cyclicals	7.5
Basic Materials	4.8
Health Care	3.2
Consumer cyclicals	0.2

Financial ratios

	Fund	Index
Sharpe ratio	1.0	0.7
Total risk (%)	17.2	16.4
Tracking error	6.3	
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 184.2
Fund size	SEKm 29,627
Number of holdings	36
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

1	2	3	4	5	6	7	
Lower risk					Higher risk		

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.