

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 www.lannebofonder.se. Please note that Lannebo Fonder 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.

The fund's investment policy

Lannebo Sverige Plus is an actively managed equity fund that primarily invests in shares on the Swedish stock market. The fund is similar to a traditional equity fund, but with more flexible investment rules. The "Plus" label reflects the fund's ability to invest more than 100 per cent of the fund's assets. For example, the fund can invest 130 per cent in shares that the fund managers are positive about and balance this by reducing its equity exposure by 30 per cent through the sale of shares that the fund does not own, i.e. short selling.

The fund targets those who:

- want a Swedish equity fund with greater opportunities
- want an actively managed fund with investments based on a clear understanding of each individual company

Fund manager comment

The Stockholm Stock Exchange fell by 1.3 per cent in March (SIXPRX). Macro data indicated continued expansion for most regions. The US PMI for Manufacturing increased sharply to 60.8, from 59.1 the previous month - clearly above expectations. The equivalent Eurozone data showed signs of a slowdown and dropped from high levels. Chinese macro data was generally strong and statistics for industrial production were above expectations. Swedish bond yields continued to fall in March following a clear rise in January. As expected, the US central bank raised its key interest rate to a range of 1.50-1.75. Markets were affected by political comments during March, where the US President undertook the country's trade deficit through import tariffs. The responses from Europe and China caused concern for the start of a trade war, which led to market volatility.

Lannebo Sverige Plus decreased by 0.9 per cent in March, while the benchmark index SIXPRX decreased by 1.3 per cent. The World Index (MSCI AC World) decreased during the same period by 2.2 per cent, and in the US the S&P 500 fell by 2.5 per cent. The Euro STOXX 50 decreased by 2.2 per cent.

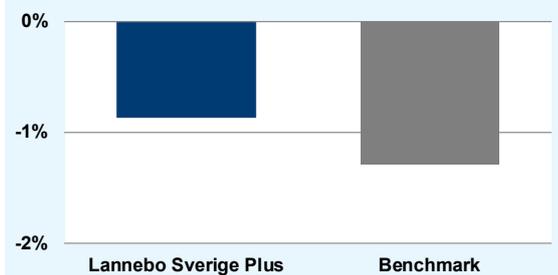
Swedish Orphan Biovitrum, Nobia and AstraZeneca were holdings that developed better than the market as a whole, with share price increases of 9, 9 and 6 per cent respectively. The SOBI share price performed strongly during the month following the market's increasingly positive view of the company's hemophilia products, Elocta and Alprolix. Market expectations for full-year sales and earnings are significantly above the company's own forecast.

Kitchen manufacturer Nobia increased in March after a weak start to the year. The company continues to work with cost-efficiencies, while benefiting from a stronger pound against the euro. AstraZeneca's product portfolio is well positioned for growth where most products are realizing increasing sales trends. The company's operating margins are expected to rise sharply by the year 2020 together with an increasing return on equity.

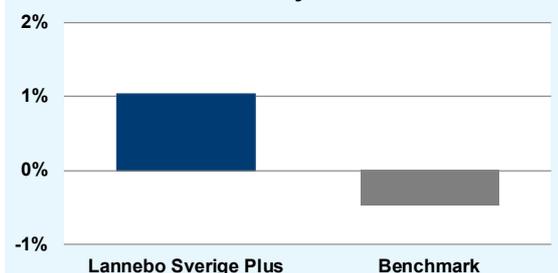
H&M and Nokia developed worse than the overall market with share price declines of 9 and 7 per cent respectively. H&M reported Q1 earnings, where the gross margin fell to 49.9 per cent compared to 52.1 per cent the previous year, largely explained by an unusually high proportion of discounts on the H&M branded products due to incorrect product range at the end of last year. The current inventory level is still high, approximately 18 per cent of annual sales, although it mostly includes products for the coming spring season. We estimate that current improvement efforts create conditions for a positive long-term development of the company. Nokia is positioning itself for the next generation mobile networks, 5G. So far only a limited number of deals have been announced, while the large rollout is expected to take place from 2020 onwards.

During March, the fund invested in ABB, Investor and Tele2. The holdings in Danske Bank, Swedish Orphan Biovitrum and Nordea were reduced.

Performance for the month



Performance year-to-date



Performance, %	Lannebo Sverige Plus	Benchmark
March 2018	-0.9	-1.3
Year 2018	1.0	-0.5
3 years	20.3	13.1
5 years	109.7	77.6
Since launch (12/11/2008)	368.0	277.4
Average annual return 24 months	13.9	12.0

Monthly performance, %

Jan	Feb	Mar	Apr	May	Jun
0.8	1.2	-0.9			
Jul	Aug	Sep	Oct	Nov	Dec

Annual performance, %	Lannebo Sverige Plus*	Benchmark
2017	8.8	9.5
2016	13.3	9.6
2015	13.4	10.5
2014	23.4	15.9
2013	28.2	28.0

* The annual performance of the fund is calculated from the NAV per unit in the final accounts.

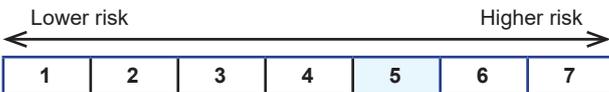
10 largest holdings

	% of the portfolio
Volvo B	7.3
Telia	6.9
Investor B	6.3
H&M B	5.3
Autoliv SDB	5.1
Swedbank A	4.7
Skanska B	4.6
Nordea	4.6
Securitas B	4.5
SEB A	4.5
Total 10 largest holdings	53.8
Cash	6.8
Total number of holdings	28

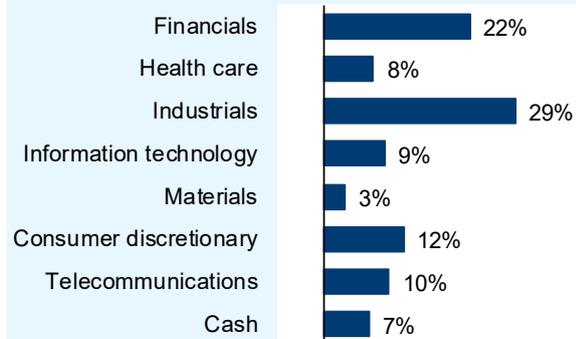
Major changes during the month

Buy	Sell
ABB	Danske Bank
Investor	Swedish Orphan Biovitrum
Tele2	Nordea

Risk and reward profile



Sector allocation



Financial ratios	Lannebo Sverige Plus	Benchmark
Sharpe ratio	1.2	1.3
Total risk, %	11.0	9.0
Tracking error	4.5	
Information ratio	0.4	
Alpha	0.0	
Beta	1.1	
Active share, %	62	
Gross equity exposure, %	100	
Net equity exposure, %	93	
Portfolio turnover ratio 12/31/2017	1.6	

Fund facts

Fund manager	Robin Pettersson & Martin Wallin
Launch date	12/11/2008
NAV per unit, SEK	45.62
Fund size, MSEK	5,663
Management fee	1.0% + 20% of any excess return
Return threshold	SIX Portfolio Return Index
Bankgiro	346-3585
ISIN	SE0002686584
Trading frequency	Daily
Minimum investment amount	100 SEK
PPM number	490 292
Supervisory authority	Finansinspektionen
LEI	549300W8FUNESQQE9448

Explanations

Benchmark	SIX Portfolio 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.
Sharpe ratio	A measure of the fund's return taking into account the total risk the fund has had during the period. Calculated as the ratio between the fund's return minus the risk-free rate of return and the fund's total risk (standard deviation). The information is based on monthly data and relates to the latest 24 months.
Total risk	Given as the standard deviation of variations in the total return of the fund or index. The information is based on monthly data and relates to the latest 24 months.
Tracking error	A measure that describes how closely the performance of the fund tracks the performance of the benchmark index. Calculated as the standard deviation of the difference between the return on the fund and a benchmark index. The information is based on monthly data and relates to the latest 24 months.
Information ratio	A measure of risk-adjusted return. This is measured as the active return divided by the portfolio's active risk. The information is based on monthly data and relates to the latest 24 months.
Alpha	Describes the effect of the portfolio manager's decisions on the return of the fund. A positive alpha value is the risk-adjusted excess return relative to the return of the benchmark. The information is based on monthly data and relates to the latest 24 months.
Beta	Describes the sensitivity of the fund's value to changes in the market's value. The beta value reports how much the fund's value changes in percentage terms when the market's value changes by one percentage point. The information is based on monthly data and relates to the latest 24 months.
Active share	A measure of the proportion of the portfolio that differ from the benchmark.