

# Lannebo Sverige Plus

Swedish-registered equity fund

Monthly report  
September 2018

**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.lannebo.se](http://www.lannebo.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

## Fund manager comment

Optimism on the Stockholm Stock Exchange continued in September where the resilience to geopolitical events persisted. The Swedish krona strengthened against the larger currencies, and the Swedish ten-year rate increased. Expectations are that the key policy interest rate will increase at the end of the current year or in early 2019. During September, several car manufacturers continued to lower their forecasts for the full year. However, the downward revision is considered marginally lower than previous forecasts. In the US, industries and the stock market continue to have a remarkably strong development. US PMI rose sharply and exceeded market expectations. The price of base metals, copper and zinc, increased following the weak development during the year with declines around 20 per cent.

Lannebo Sverige Plus increased by 1.6 per cent in September, while the benchmark index SIXPRX increased by 0.1 per cent. The World Index, MSCI AC World, increased by 0.6 per cent, and in the US the S&P 500 increased by 0.6 per cent. The Euro STOXX 50 increased by 0.3 per cent.

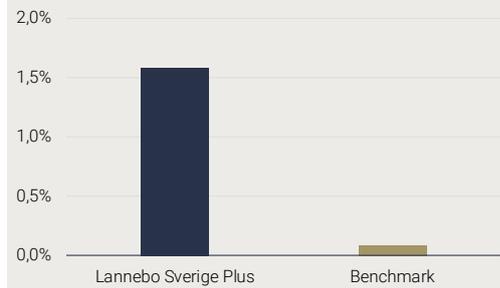
H&M, Veoneer and Epiroc were holdings that developed better than the stock market as a whole, with share price increases of 33, 9 and 5 per cent, respectively. During the month H&M released sales figures and its Q3 earnings report. Sales for the period showed successive improvements, where some markets like Germany and Britain developed positively. Gross margin fell to 50.3 per cent (51.4), albeit less than expected. Discounted sales are expected to decline in the coming quarter due to a better structured inventory. Further, during the quarter the company closed more

stores than it opened in 16 markets. The multifaceted efforts in reversing the negative trend continues. Veoneer, the Autoliv spin-off, developed well in September. The company is a recognized supplier in the emerging market of products and systems for active safety to the automotive industry. Epiroc, previously the Atlas Copco mining business, anticipates good demand from customers whose investment needs are at a high level, where the shift to more efficient mines with battery-powered vehicles and extended support systems withstands lower commodity prices.

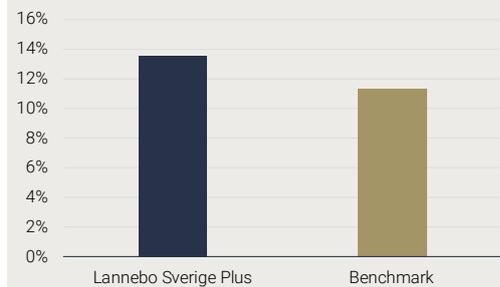
Autoliv and Electrolux underperformed the market and fell by 5 and 4 per cent, respectively. On the announcement of reduced auto production, Autoliv remained weak, together with most global automotive suppliers. Underlying causes of the more restrained production forecasts are the introduction of a new test cycle for passenger cars, WLTP, as well as trade tariff discussions. Electrolux faces higher material costs and unfavorable currency fluctuations. The Brazilian currency, for example, has depreciated by 22 per cent against the US dollar, which is the company's export base.

During September, investments were made in Loomis (new holding), AstraZeneca and Tele2, while the holdings in SAAB, H&M and Swedbank were reduced.

## Performance for the month



## Performance year-to-date



Performance (%)	Lannebo Sverige Plus	Benchmark
September 2018	1.6	0.1
Year 2018	13.6	11.3
3 years	48.9	42.1
5 years	105.8	81.7
Since launch (12/11/2008)	425.9	322.1
Average annual return 24 months	16.0	12.2

## Monthly performance (%)

Jan	Feb	Mar	Apr	May	Jun
0.8	1.2	-0.9	5.2	-1.1	-0.4
Jul	Aug	Sep	Oct	Nov	Dec
4.9	1.7	1.6			

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.

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## 10 largest holdings

Holding	% of the portfolio
Investor B	7.6
H&M B	6.6
Telia	6.4
Electrolux B	6.3
Volvo B	5.8
AstraZeneca	5.7
ABB	4.7
Nokia EUR	4.7
Autoliv SDB	4.7
Ericsson B	4.6
Total 10 largest holdings	57.3
Cash	8.2
Total number of holdings	27

## Major changes during the month

Buy	Sell
Loomis	SAAB
AstraZeneca	H&M
Tele2	Swedbank

## Financial ratios

	Lannebo Sverige Plus	Benchmark
Sharpe ratio	1.6	1.5
Total risk (%)	9.8	8.4
Tracking error	3.8	
Information ratio	1.0	
Alfa	0.2	
Beta	1.1	
Active share (%)	64	
Gross equity exposure (%)	1.0	
Net equity exposure (%)	97	
Portfolio turnover ratio (06/30/2018)	92	

## 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.

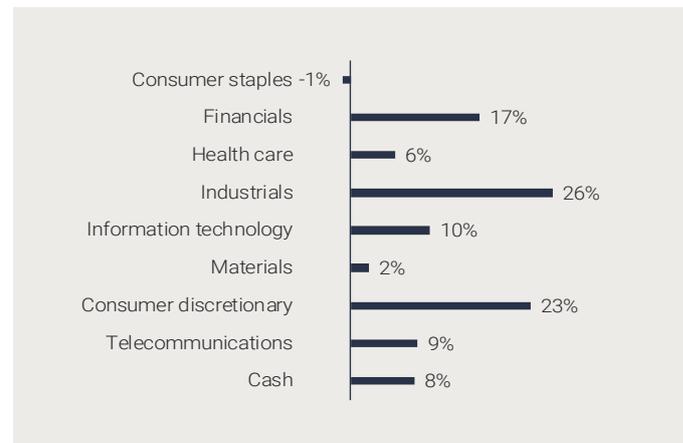
### Total risk

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.

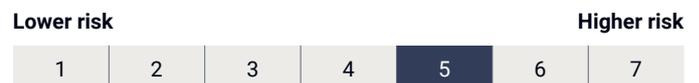
### Tracking error

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.

## Sector allocation



## Risk and reward profile



## Fund facts

Fund manager	Martin Wallin & Robin Pettersson
Launch date	12/11/2008
NAV per unit (SEK)	51.27
Fund size (MSEK)	7 565
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